- Alcoholism: Washington's best kept secret
- Polly Toynbee on getting into Nell's
- Reviews by George V. Higgins and Mickey Kaus

The Washington Monthly

JANUARY 1988/$3.00

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LETTERS

Postal partum depression

The article on the U.S. Postal Service ["The Twenty-five Cent Stamp," Marianne Szegedy-Maszak, November] is riddled with errors. Contrary to Szegedy-Maszak's suggestions, the Postal Service is not drowning in debt nor is its monopoly all-inclusive. The Service has a debt of just over $3.5 billion—minimal for a corporation of its size and representing only a third of the modest debt authority granted to it under law. Moreover, the postal monopoly applies to only first-class mail—that is, to a little more than 50 percent of total mail volume. The Postal Service faces competition not only in parcel and express mail delivery, but also from private firms for magazine and newspaper delivery, and from television, radio, and print media for the delivery of advertising messages.

Even at 25 cents, the first-class stamp will be a bargain. The U.S. Postal Service, with all its faults, is still the cheapest in the world. British mailers pay 32 cents for a first-class stamp, Japanese 44.5 cents, and West Germans nearly 48 cents.

Next, the article stated that postal employee wages are inflated. In making this assertion, she cites economists Michael Wachter and Jeffrey Perloff, who believe postal wages exceed those of similar private sector employees by a third. The Wachter and Perloff findings were developed by Wachter when he was a paid consultant to Postal Service management during collective bargaining in 1981 and 1984. Economist Joel Popkin's research on behalf of labor found that postal employees did not enjoy a wage premium. A distinguished arbitrator, Clark Kerr, found Popkin's analysis more convincing than Wachter's and decided that only a small (3 percent) wage premium existed—a far cry from the 33 percent claimed by Wachter and Perloff.

Merely comparing postal wages to those of federal employees as Szedgedy-Maszak did in her article does not tell the whole story. Federal wages are not determined through collective bargaining as are postal wages. It's not that postal pay is too high, it's that federal pay is too low.

Finally, Szegedy-Maszak decries the considerable growth in Postal Service employment. True, the number of persons employed by the Postal Service increased by over 100,000 in recent years (*not*, as she suggests, in a single year). However, this has been driven by significant mail-volume growth and the need to recover from the cutbacks of the 1970s.

The Postal Service is a huge bureaucracy with many shortcomings—some of which Szegedy-Maszak identifies. But the picture she paints is grossly distorted.

JAMES P. SAUBER
Washington, D.C.

Mr. Sauber is a staff economist for the National Association of Letter Carriers.

Marianne Szegedy-Maszak replies:

I would like to thank Mr. Sauber for his unintended substantiation of my major points. Although a $3.5 billion deficit may not constitute "drowning," by congratulating the United States Postal Service for maintaining a deficit level below that authorized by law, Mr. Sauber illustrates the wrong-minded thinking of the Postal Service. The interest on this debt is paid by taxpayers, not angry shareholders.

He also argues that the USPS, like any good business, is engaged in the competitive marketplace for 50 percent of its total volume. By anyone's standard, one half is no modest proportion, and the simple fact is that the first-class rates are rising while the rates are going down where there is competition. While the U.S. first-class mail may cost less than West Germany's, the point is not to compare but examine the rate increases within our system.

Mr. Sauber's argument that federal workers are underpaid may hold up for comparable highly-skilled professionals in the private sector—lawyers for instance. But for unskilled workers or paraprofessionals, government service is still a gravy train.

I would suggest for the sake of fairness that both economists may be manipulating figures. Still, one thing is certain: postal workers earn a premium. That the work force at USPS fluctuates wildly is further evidence of mismanagement and poor planning.

I just got a letter from Elizabeth Taylor and she used a 5.5 cent stamp. In the same mail were letters from the Animal Protection Institute of America and H.O. Williams, sheriff of Bullock County, each carrying 7.1 cents of postage, and one from the Cousteau Society with 8.5 cents. All asked for money, and the whole thing—a fairly typical day's mail at our house—reminds me to write and applaud Marianne Szegedy-Maszak's article. I wish someone in high places was paying attention to what she's saying.

When I look at the volume of less-than-first-class mail that comes to me, I can't but think that postal rates are giving somebody a whale of a bargain. I'm tired of paying the share of all these other people.

BESS CHRISTENSEN
Lompoc, California

Bear with us

Alston Chase is an adroit polemicist, but many of his arguments about the grizzly disintegrate upon closer inspection ["Smokey Would Never Believe This," November].

Chase pooh-poohs every environmental organization that expresses concern about the lands where grizzly bears still live. He seems to take many of his major tenets from former Interior Secretary James Watt.

Chase and Watt notwithstanding, the dependency of wild animals on their habitat is so fundamental as

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to be axiomatic. The grizzly's need for free access to good quality land is especially critical, because grizzlies have been eradicated from all but 1 percent of their range in the American West, and even that last acreage is threatened by everything from oil-drilling to ski resorts.

Chase correctly identifies government officials as a major force behind the deaths of grizzlies in and around Yellowstone National Park. But the major portion of those deaths would not have occurred if the government had not placed campgrounds, logging roads, and other human-serving developments on the very best land in the Yellowstone region.

Chase is most certainly correct in his contention that "eviction" of humans from the overnight facilities at Fishing Bridge "would not in itself reverse the grizzly's slow but steady decline" in and around Yellowstone. But it has been the cumulative effect of minor events that has brought the grizzly close to extinction, and it will be the cumulative effect of minor victories that gets them back on their feet. The facilities at Fishing Bridge have to go.

LANCE OLSEN
Missoula, Montana

Mr. Olsen is president of the Great Bear Foundation.

Alston Chase replies:

I know that my views on wildlife and park preservation please neither the environmental community nor its critics. Unfortunately, many environmentalists cannot understand how someone could be both a conservationist and disagree with them. Anyone with whom they disagree must not only be wrong, but mischievously motivated.

Such appears to be the perception of Mr. Olson. How else can one explain the fact that he characterizes my article as taking "tenets" from former Interior Secretary James Watt? Indeed, I have news for Mr. Olson. The Reagan-Watt-Hodel administration is as unhappy with my ideas as he is.

I did not belittle the importance of habitat for the grizzly bear nor did I say there is anything wrong in calling for expansion of public lands. I suggested that land preservation alone, while necessary, is not always a sufficient means of saving wildlife. Maintaining ecological balance requires active management. Yet tragically, neither the environmental community nor the National Park Service understands this.

They also fail to note that grizzlies and Fishing Bridge coexisted up until the park's backcountry landfills were closed 16 years ago. Until that time, thanks to food available at the dumps, the bears flourished. The decision to close the dumps was made before any studies were done to determine whether Yellowstone has a habitat to support a population of grizzlies. Now the evidence suggests that due to NPS mismanagement, the grizzly habitat is indeed in poor repair.

Following the story of the grizzly, we come back to the challenge of maintaining the quality of habitat. Such steps will not be taken while NPS and the environmental community are caught up in less important issues such as Fishing Bridge.

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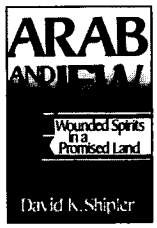

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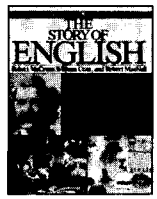

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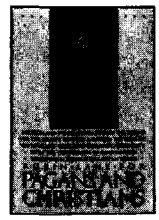

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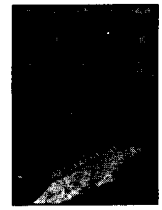

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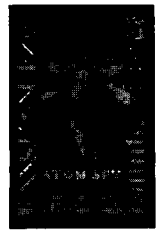

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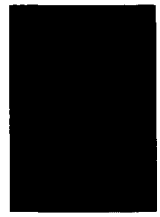

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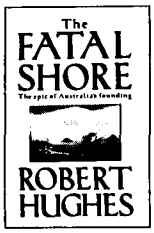

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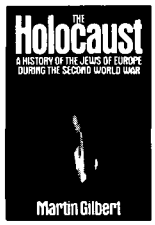

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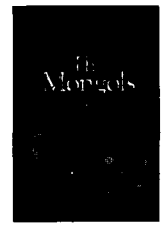

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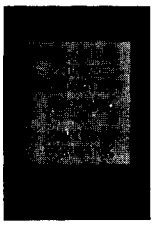

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Church besmirched

Tom McNichol's article, "Moonie Journalism" [October] claimed that "many Unification Church papers, particularly the *New York City Tribune*, are dressed-up propaganda sheets produced almost exclusively by church followers while the [Washington] *Times*'s reporters are mostly professional journalists. . . ."

The *New York City Tribune* and the Spanish-language *Noticias del Mundo* are the only other papers founded by Unification Church members that we know of. To be sure, not all nor even a majority of our writers and editors are members of the Church. But, assuming they were, would they, in Mr. McNichol's world, inevitably be amateurs? Is Katherine Fanning, editor of *The Christian Science Monitor* and president of the American Society of Newspaper Editors, a professional sworn before God never to publish a word of propaganda only if she denies being a Christian Scientist?

Having surveyed our editors, I learned that McNichol had phoned no one here for information. In this instance, isn't "McNichol's journalism" guilty of unprofessionalism even though it eschews "Moonie journalism," and isn't his reference to the *New York City Tribune*, moreover, merely propaganda?

ROBERT J. MORTON
New York, New York

Mr. Morton is editor in chief of the New York City Tribune.

Tacitly racist

The Washington Monthly does not publish many stories dealing with racial issues, but when it does, invariably the articles are burdened with implications that are tacitly racist.

What is at question is not personal prejudice on the part of Peter Schuck ["What Went Wrong With the Voting Rights Act," November] or Abigail M. Thernstrom, whose book Schuck reviews. It is, instead, the more subtle "institutional racism" that permits commentators to analyze issues as though black people were little more than statistics. In the case of the Schuck article, the result is an extraordinary display of naivete.

To analyze African-American electoral opportunity without giving attention to housing discrimination and all of its effects is to invalidate reasoned inquiry. Such a study would show that white flight, coupled with the out-and-out discrimination against African-Americans before the Civil Rights Act of 1968, made a mockery of Schuck's picture of "communal, integrative politics."

Danville, Illinois, settled a prospective voting rights suit out of court, and now has two blacks on its council, whereas before it had none.

WILLIAM SIMPSON
Park Forest, Illinois

Peter Schuck replies:

I wrote that a "return to the act's original vision of equal political opportunity. . .would encourage a more communal, integrative politics. . . [which] will be the firmest foundation for enduring racial justice." In that same passage, I predicted that the act's current implementation, which rigs safe seats for a few black politicians by sacrificing black voters' influence over the more numerous politicians who represent the rest of the community, will impede that goal. The problem of integrated housing, which Mr. Simpson cites, actually underscores my point.

White flight usually *strengthens* incumbent politicians' hold over "minority-packed" districts, as does housing discrimination in districts to which whites can flee but blacks cannot. In addition, politicians in other districts from which black voters have now been drained to create safe black seats, are under even *less* pressure to challenge white flight or housing discrimination. Perhaps this helps explain why, as Mr. Simpson reminds us, true integration is so elusive.

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Rent control

In the November issue I noticed an ad which asserts that land rent is 5.2 times corporate net profit after taxes. This figure was interesting, so I checked it. According to the Economic Report of the President, however, net corporate profits amount to $133.8 billion, but gross rental income of persons amounted to just $60.6 billion and net rental income to just $15.6 billion.

It is possible that by counting imputed rent one may derive a figure as large as the $700 billion figure implied by the ad, but I think most people would consider this to be nonsense.

Magazines perhaps ought to be a little more careful about the ads they run.

BRUCE BARTLETT
Washington, D.C.

Mr. Bartlett is a senior policy analyst at the White House.

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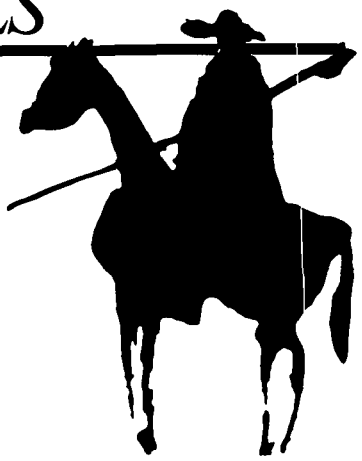
TILTING AT WINDMILLS



The decline in concern for the family has been a much-lamented trend in our society. It is heartening, therefore, to know that the new acting mayor of Chicago, Eugene Sawyer, has stoutly resisted this trend. According to newspaper reports, while Sawyer was a powerful alderman, the Chicago Transit Authority counted eight Sawyer relatives and associates on its payroll at one time, including two of his brothers, who were being paid salaries of $65,000 and $72,000....

From our Only in California Department: An Oakland man who robbed a savings and loan has sued it and the city for $2 million for the emotional harm he suffered from the explosion of a smoke bomb hidden in the bundle of cash he had stolen....

Israel is doing a terrible thing in expelling Mubarak Awad, a Palestinian-American who has preached nonviolent resistance to the Israeli occupation of the West Bank. The only hope of ending the insane explosion of terrorism in the world is showing aggrieved people that there is another way to achieve justice—following the example of Mahatma Gandhi. Sensible Israelis understand this, but Shamir

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and the other hard-liners who want to crush Arab opposition even when it is reasonable appear to be winning the struggle for Israel's soul....

Harry Carson, a linebacker for the New York Giants has a problem, and I hope there is some wise person out there who knows the solution. Comparing his team's efforts in last year's playoffs to their effort in this year's regular season, he said, "I think it's extremely tough to maintain the same level of intensity during the season for long periods of time, the same intensity you have through the playoffs and the Super Bowl. It's unhealthy. If you tried to do it, you'd have ulcers. People would be stressed out." Carson said that, after the Super Bowl, "it took me a month and a half to two months to come down because I was hyped. I would wake up in the middle of the night. I could not relax. I could not stay still."

It has always seemed to me that this is the price that has to be paid whenever anyone tries to do his very best at any task. In other words, great effort makes you a little crazy. I want very much to think otherwise, but I have to confess that my experience offers no evidence to the contrary....

When the miniskirt first appeared in the late sixties, the prevailing morality was sexually permissive. I wonder why, now when we are all supposed to be trying to behave ourselves, the mini is fashionable once more?...

One of the nuttier causes of last fall's stock market decline was the fear of inflation. And commentators as respected as the usually sound Robert J. Samuelson continue to talk seriously about the danger of rapidly rising prices.

It is worth reminding ourselves that the only double-digit inflation in this century has come from shortages or perceived shortages. This was the case with the OPEC inflation of 1973 and 1979 and in the only other double-digit year, 1947, when prices rose because there was a severe shortage, due to wartime production restrictions, of the cars, washing machines, and other consumer goods people wanted to buy. The main causes of single-digit inflation in recent years—Johnson's guns-and-butter policy during Vietnam and wage increases without productivity increases during the seventies—simply do not exist now.

One other error made by people like Samuelson and others whom I admire, like Alan Murray (see page 51), is that they credit Paul Volcker with having ended the 1979 inflation by raising interest rates. The inflation ended because energy supplies increased. It was the people who, by buying energy-efficient cars and reducing their gasoline consumption, brought down prices, not Volcker, the high priest elitists love to credit. All his high interest rates did was cause a recession in 1981-82....

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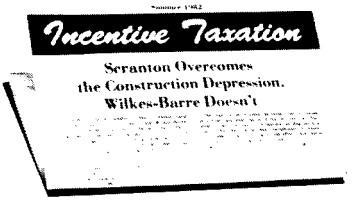

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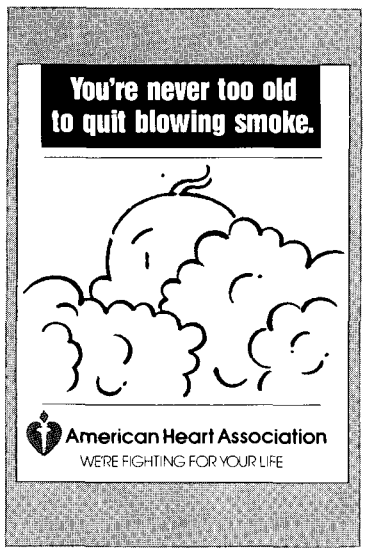
The only real danger of inflation I see is in American manufacturers' response to the devaluation of the dollar, which could be inflationary if they attempt to raise prices instead of seeking a larger share of the market. That this is a danger to be worried about was made clear a few years ago when our auto manufacturers raised prices and frittered away a similar opportunity to dramatically increase their share of the market while Japanese imports were restricted....

The head of the West Virgina Education Association was recently quoted in the *Charleston Gazette* as favoring "tougher teacher evaluations." What makes this incredible is that the WVEA has for decades, along with its parent organization, the NEA, stubbornly resisted any kind of evaluation of teachers' classroom performance. Their new zeal for reform may be motivated by the fear that they are just a half step ahead of the sheriff, as was suggested by a recent headline, this one from *The New York Times*: "More Non-Catholics Using Catholic Schools—Parents are seeking better education and stricter discipline."...



That the Tax Reform Act of 1986 left a stone or two unturned is indicated by the fact that, although a businessman who takes his client to a Broadway play is no longer able to deduct the total price of the ticket, he can still deduct the entire cost of transporting the client, even if it's by a $200-a-night limousine....

The New York Times is making a mistake. It has created the Maturity News Service and is distributing the service's stories. The seed money for the service and the rent for its offices are being paid by the American Association of Retired Persons, according to a recent news report. The AARP is a lobby, and the *Times* shouldn't be in bed with any lobby. But because the AARP is a lobby for the elderly and the elderly are considered deserving, it escapes the criticism other lobbies receive. The truth is, however, that most of the elderly are no longer deserving in the sense of being needy—they are better off than the rest of us. And when their lobbyists protect the affluent elderly from full taxation on their Social Security benefits as they did last November, thus derailing one of the best ways of reducing the deficit, they are definitely not serving the public interest....

By the way, since Mario Cuomo has taken his lumps in this column, I should give him credit for being the only potential Democratic nominee for president, other than Bruce Babbitt, with the courage to come out for need testing of entitlements, including Social Security....

In California, Bill Honig, the superintendent of schools, whose efforts to improve public education I have long admired, is locked in a struggle with Governor George Deukmejian, whose career I have found less inspiring. In this case, however, I have some sympathy for the governor. Honig is trying to get Californians to donate their tax rebates to the schools. The governor points out that the schools' case for needing money is not bolstered by the fact that they are raising the salaries of already generously paid administrators. For example, the pay of the superintendent of Sacramento schools will go from $88,000 to $93,280. He may be deserving, but even if he is, does he deserve that much? Certainly many of his fellow superintendents do not. It is a sad fact that public school administration in the United States is for the most part in the hands of a self-perpetuating group of overpaid, marginally competent bureaucrats who lack the courage, the drive, and the imagination to do what is needed to reform the institutions for which they are responsible....

Why did *The Washington Post* make such a big deal out of Pat Robertson's lie

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about his marriage date? I would bet that at least a fourth of the *Post*'s staff are the progeny of marriages in which the concealment of premarital conception was involved. Such marriages were that common in the thirties, forties, and fifties. The sin of the concealment is so minor and so understandable in light of the morality of those years that it's hard to understand how anyone these days could take it as seriously as the *Post* did. Perhaps the *Post* doesn't like Robertson. I don't either, but unless he has condemned the concealment of premarital pregnancy, and I have seen no evidence that he has, he can't be accused of hypocrisy, and that would have been the only justification for this item.

On the reporting of sex matters generally, I hope you read our Gandhi satire a few months ago. Its point was that a public man should not be destroyed on the grounds of his sexual practices alone. Private sexual practices, even those as bizarre as the Mahatma's, should not be reported unless they reveal some other character defect such as cruelty or recklessness....

You probably knew there were services like Black Lightning at Berkeley that take notes for students too lazy to go to class. But were you aware that professors participate in the scandal by accepting royalty fees based on the number of sets of notes sold? I wouldn't have believed it of an institution of Berkeley's reputation but the story revealing the practice appeared in a reliable paper, the *San Jose Mercury News*, complete with quotes from the professors who were in on the take....

I never thought I would agree with Phyllis Schlafly on anything, but I find myself sharing almost completely the concerns she expressed in a recent column about legal limitations on home-based work. She reports that the federal government and nine out of ten cities have some restrictions on such work.

My only disagreement with her is that she sees this as only a woman's issue. I think the freedom to work in one's home is important for everyone: if a couple wants to share the care of their children, they should be encouraged to work part-time at home so they can do so. Often a couple will need to make similar arrangements so that they can care for elderly parents. And to many disabled workers of both sexes, the freedom to work at home is essential. The computer has given us new opportunities for work at home, adding to the traditional arts and crafts that can be performed just as easily in a house as in a formal work place. The unions, which have been the major opponents of home-based work, have, in this regard at least, earned the contempt that right-wingers like Schlafly bestow upon them. The legitimate concern of unions—that workers might be exploited through, for example, underpaid piece work—could be guarded against by a program of random inspection....

Every pupil a genius! You doubt me? A researcher has discovered that at the elementary school level, no state is below average on six major national tests, including the Stanford Achievement Test and the Comprehensive Test of Basic Skills. On the latter test, for example, 62.9 percent of South Carolina fourth-graders scored above the national average even though the state ranks fiftieth in college entrance examination results. I am reminded of a 25th anniversary survey of a Yale class in which one-third of its alumni said they ranked in the top quarter of the class....

The bad news about our foreign service is that the U.S. embassy in Haiti, headed by Ambassador Brunson McKinley, supported the National Government Council headed by General Henri Namphy, whose thugs are every bit as bad as the

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Duvaliers'. In a briefing only two days before the disrupted vote on November 19, an embassy political officer said, according to Julia Preston of *The Washington Post*, that there was "no indication" that either the government council or the army would fail to respect the balloting. Another embassy official, when asked for help in rescuing Americans trapped under the Ton-Tons Macoutes' gunfire, advised going to the Haitian police. In other words he was telling the chickens to seek the help of those nice foxes.

The good news is that there are a few splendid souls who uphold the finest traditions of the foreign service. On that terrible Sunday in Haiti one was Jeffrey Lite, who, according to Preston, "took his bulletproof van several times into areas where Ton-Tons Macoutes snipers were gunning for American journalists and pulled out the reporters."

Lite is the embassy press officer in Port-Au-Prince. My friend James Fallows reports some heartening news about Lite's fellow United States Information Service employees in Korea: "I was in the three major provincial centers—Pusan, Kwangju, Taegu—and I met the local U.S. government representatives in each place. They were the directors of the American Cultural Centers, run by the Information Service, and the remarkable thing is that they were all very impressive young people. They were typically in their early thirties, and all of them had already invested a lot of time in Asia. All three were fluent in Korean and two of them also in Japanese."...

Flaunting success has become fashionable in corporate America. According to "The Winning Edge," a syndicated column written by Thomas Burdick and Charlene Mitchell, "Men who once wore drab, baggy business suits are suddenly looking as if they stepped out of *Gentlemen's Quarterly*. Women who for a long time wore outfits that made them look like scaled-down versions of men are now walking advertisements for *Vogue*." A typical day's wardrobe, including an Allen Flusser silk tie and a Ralph Lauren wool suit for the man and a Calvin Klein silk blouse and Judith Leiber crocodile pumps for the woman, costs about $3,000 for each sex. They also recommend a Rolex watch, but that costs $2,500 and may have become optional since October 19....

Washington's mayor, Marion Barry, with resounding redundancy, said it was "an invasion of my personal privacy" for *The Washington Post* to assign a reporter to follow him on his Thanksgiving holiday to the Bahamas, where the mayor spent the weekend with a woman not his wife. And perhaps it would have been, had the woman not been Bettye L. Smith of W.R. Lazard Co., the firm that is supposed to be giving the city independent financial advice on the sale of hundreds of millions of dollars in municipal bonds. Afficionados of the Barry administration will recall that the District's bond business is the subject of an ongoing grand jury probe.

The *Post* deserves praise for running the story, but a follow-up piece in *The Washington Times* brings us closer to the real trouble. It turns out that the District is paying W.R. Lazard two to four times the rate other cities pay for comparable financial advice—over $2.8 million in fees since 1985.

Not only is the city paying too much, it doesn't even need the advice. Firms such as Lazard are necessary only when a municipality wants to sell "revenue" bonds. Because such bonds are paid off with revenue from the project they fund—a stadium, for example—professional help is often essential in peddling them to wary buyers who fear the stadium may be a loser. But Washington's are not revenue bonds; they are "general obligation" bonds, which are payable out of general tax revenues. They are not at all hard to sell, usually being offered to underwriters through competitive bidding, which can be counted on to secure the most favorable interest rate for the city. The services of firms like Lazard are unnecessary when competitive bidding is used.

As you might have guessed, the District under Barry and W.R. Lazard has not marketed its bonds through competitive bidding. The mayor does have one point in his defense: the Bahamas vacation was purchased, he says, "with my own private money."...

—*Charles Peters*

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Nell's Place

Photo by Samantha McCormick

and what it says about New York

by Polly Toynbee

The word is *exclusive*. If the street isn't packed with the desperate hordes of the excluded, then a nightclub isn't worth going to. And some of the excluded would rather die than be left outside. The week I was in New York, a 44-year-old man excluded from Rascals, a club on First Avenue, pulled a gun. The doorman shot him dead. It seems that half the fun of going to a top club is proving to your friends that you have the social pull to get in. It's referred to as table-power.

These are not kids' discos. These are not teenage groupies hanging around without the price of admission. These are grown men and women. They stand on the sidewalk behind the red velvet ropes and desperately shout at stony-faced bouncers: "But I know the manager! He's my best friend!"

I know a man who went to a favored club with his wife. She was let in. He wasn't. When it came to the crunch, she couldn't bear to pass up the glory of sailing past the crowd and through those magic doors. So she left him outside, where, in an altercation with the doorman, he was clubbed on the head with a baseball bat.

Money and success are indivisible in New York. The allure of Manhattan has always exerted a strong pull on status-seekers. The nightclubs are where the stockbrokers, lawyers, hot journalists, television producers, and advertising executives come to "play." Native New Yorkers are rarely part of the crowd. Expatriots in their own country, the newcomers have a keener need to show attachment, belonging, knowledge of their whereabouts. "I was at ------ last night," "Have you seen the ------ exhibit?" are sentences uttered at cocktail parties in the same way other people, in other places, wear badges of honor. These activities are their proof of success. This insecurity pervades every aspect of their life, from their kitchen appliances to their VCRs to their automobiles.

In New York nothing is worth having unless it is hard to get. When everyone has so much money, it no longer counts for much. Scarcity value has to be created in other ways. Trends change faster in New York than anywhere else: *the* place to dine, *the* clothes to wear, *the* club to dance. When the historian R.H. Tawney

Polly Toynbee, a former editor of The Washington Monthly, *is a columnist for* The Guardian *in London.*

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mocked those who insisted on the freedom to dine at the Ritz, he hadn't considered the more complicated question of dining at The Odeon, Indochine, or Cafe Luxembourg.

New York's cafe society is not quite the same as high society, which revolves around benefits—the $1,000-a-plate dinner in aid of the world's anodyne causes like ballet or opera (or the Republicans). *The New York Times* is perhaps the world's most serious newspaper that also gives solemn space to chronicling the goings-on at society functions. Its "Evening Hours" column covers the doings of the rich and not-so-famous with groveling politeness. It smacks of the small-town gazette dutifully covering debutante balls at the local country club. Still, these New York benefits are more democratic than the clubs because they are easier to buy into.

Dressed in rubber

An extraordinary phenomenon of New York cafe society is that it is dominated by the British. New York is still quaintly Anglophile. Four of the top restaurants and the hottest nightclub are owned by a couple of East End brothers, Keith and Brian McNally. They have the magic touch. Whatever they open generates lines twice as long and twice as smart as anyone else's.

Their newest venture is Nell's, a nightclub, which Keith owns and runs together with Nell Campbell, the Anglo-Australian actress of *The Rocky Horror Picture Show* fame. Nell is the Queen of New York's night. The hordes outside her door lean over the barricades and shout, "But Nell's my friend! I know Nell! She said I could come in!" Nell peeps through her spy hole and gives the thumbs up or down to her black-jacketed team of heavies at the door.

She's an extraordinary character—plain, with cropped red hair. Sometimes she's glitzy in a red rubber dress, but the night I was there she looked scrubbed and eccentric in a tacky sixties outfit with a transparent blouse baring her breasts. She doesn't have to try if she doesn't feel like it. She just is. She is sharp, funny, sometimes outrageous, and very English. And she is now the arbiter of who's in and who's on the ropes in New York City.

"You couldn't run a place like this in London, or not quite like this," she says. "People are too sensible." She looks back to England with growing nostalgia. After living in London for 15 years, she was, much to her surprise, thrown out. She thought of herself as English, but the immigration authorities said she was Australian. She had lived in London since she was 18 and had been a member of Equity. And there was *The Rocky Horror Picture Show.* She could have gotten herself officially naturalized, but she never noticed the change in the immigration laws until she went to India for a vacation and was shocked not to be allowed back in again. "I have a flat there, my life is there, everything is there, but I can't go back," she says. "Not to live and work." Luckily she landed on her feet in New York. "But I couldn't live this way forever. Not here."

Her club is large. Its faded Edwardian splendor, with old gilt mirrors and chandeliers, slightly decrepit overstuffed velvet sofas, old wood paneling, and heavy dark velvet drapes, gives off the air of a boarding house. It looks as if it has been there forever, and that, she says, is the trick. Upstairs an 87-year-old mortician from Harlem quietly plays jazz. Downstairs there's pop music and dancing. And all around are beautiful people, mainly but not exclusively young. Nell is there every night, all night, from ten until five. What's on sale here isn't food, drink, music, or even ambiance. It's social cachet. And if Nell invites you over to her table—well, that's paradise.

There is no sign outside, only a large black door. "We wanted it to be recognized only by the crowd on the ropes," she explained. The key to success is crowd control. There are some members with little golden keys, but even they cannot always get their guests in if the doorman doesn't rate them. Then there is the guest list of people who have phoned ahead to get the big OK. Even that isn't a guaranteed entree.

So how does she decide? "It's incredibly embarrassing," she says. "But you can't just let the first ones in until it's full. I like people who look interesting. English accents are a plus. Chic Japanese too. I look through my peep hole and see how they look. I know English people find it really offensive, but it's the accepted way in New York. Awful, isn't it?"

The trouble is, if she lets in the B & T crowd (the people who drive into Manhattan over the bridges and through the tunnels from Brooklyn, Queens, or worst of all, New Jersey), then none of the high-flyers want to be there. And if none of the high-flyers are there, even the B & Ts stop coming. On a given night the rejects outside are either too got-up, which is uncool, not dressed in black, or just plain suburban. Some people are always kept out there, even if they look all right, because there always have to be people behind the ropes to make the people going in feel good. They just hang around, hoping. They seem quite stoical about this social order and their demean-

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ing, though vital, role in it. What's exclusive, after all, if you can't get to see people being excluded?

A club like this might last three years or so. "I'm not going to do this forever," Nell says. Although she's the Queen of Gotham, Nell wrinkles her nose at New York. "It's alarming. Horrible," she says, even as she arbitrates through her wicked spy hole. "I hate it. You know, people are even like that about friends. They're disposable." I was reminded of the new filofax I saw in a New York shop. It's address pages were spongeable—instant eradication of friends who fall off the success ladder.

"It's not civilized," Nell says, "No one entertains at home in New York. No one cooks, the kitchens are too small. You can't sit four in an apartment. If you do have more than four, than you get in caterers. Who's doing your dinner is the big thing."

In the middle of pondering the horrors of New York high life, Nell stops to wonder if it's wise to say such things about her craven clients. But since social flagellation seems to be the name of the game, she decides it's all good for business. It's her distaste for the New York success scene that makes her the big winner in the game. Her approval is the ultimate unattainable. She's the Queen because she despises them for caring so much. She wouldn't beg to get in anywhere.

Curiously, New York's fast set doesn't find this at all silly. Even New York's intelligentsia seem caught up in the game. Their approval shows such immense vanity, and oddly enough, a desire for humiliation too. The big-shot achievers purposely set themselves up for massacre at the whim of doormen. As if money and success and power wern't enough, they have to prove themselves once more in the lines outside the hottest nightclubs in New York. □

THE WASHINGTON MONTHLY Journalism Award

for October 1987 is presented to

Michael Massing
Mother Jones

Without the polemics that usually accompany discussions of Nicaragua, Massing shows how a handful of intellectuals convinced many Democrats that the contras were a viable third force. "By couching the pro-contra argument in terms acceptable to moderates—bipartisanship, democracy and nationalism," Massing writes, "the group helped win Democratic converts to a Republican cause."

Massing describes how articles by Robert Leiken in liberal journals like *The New Republic* and *The New York Review of Books* swayed a few tiebreaking Democrats to back contra aid in 1986. Carter speechwriter Bernard Aronson wrote a pro-contra address for President Reagan that stressed democracy, not the Soviet threat, and was widely credited with swaying key Democrats.

Chuck Cook, Mike Masterson, Mark Trahant
Arizona Republic

Every year energy companies take millions of dollars worth of minerals from land owned by American Indians under an arrangement sponsored by the Bureau of Indian Affairs. In their exhaustively researched series, Cook, Masterson, and Trahant document how the oil companies are not paying the Indians a fair price for these resources. And when Indians have turned to the BIA for help, they have encountered indifference, bureaucratic roadblocks, and in some cases open hostility. A federal judge in one contested case said the BIA was "more concerned with their relationship with Mobil than their relationship with the Indian owners."

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The award for stories published or aired in November will be announced in the February issue. Nominations for stories published or aired in December will close January 15. The winner will be announced in the March issue. Two copies of the article or broadcast text should accompany the nomination.

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TIDBITS AND OUTRAGES

UNFORTUNATELY, GOVERNOR MECHAM LOST HIS BID

James Earl Ray's car, a 1966 white Ford Mustang in mint condition, was recently auctioned in Memphis.

GENERAL BIDEN DENIED ANY RESPONSIBILITY

Deputy Defense Secretary William H. Taft IV recently submitted testimony about military inventory management, part of which was identical to testimony submitted by the Pentagon over a year ago.

AT LEAST THEY'RE FROM THE DISTRICT

In Oregon, 26 state lawmakers have hired their spouses as aides under a new law that allows them to fill positions between legislative sessions.

IT'S A COLLECTOR'S ITEM

FOR MOTHER

She's too busy to cook, but she does appreciate finely wrought kitchen technology made from contemporary materials, like a 10-inch Calphalon omelet pan, $30 at Macy's Herald Square and Stamford, Conn.

From *The New York Times*, December 9, 1987

NOBLESSE OBLIGE

Pierre duPont has challenged the will of his late aunt, saying he and three cousins are legally entitled to the $1.5 million she had awarded to charity.

BUT THEY HAVE TO WEAR A VEIL WHEN THEY CHEW

In Pakistan, a new brand of chewing gum is sold as an aphrodesiac.

THE MAN, THE MYTH, THE DEPOSITION

PREVIOUS BILLS HAD GRANTED THEM FREE HEALTH CARE AND SIX WEEKS OF VACATION EACH YEAR

Cows, pigs, and chickens are guaranteed several rights—including an entitlement to larger living areas—under a proposed law sponsored by Sweden's Social Democratic Party.

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Washington alcoholics: their aides protect them, the media shields them

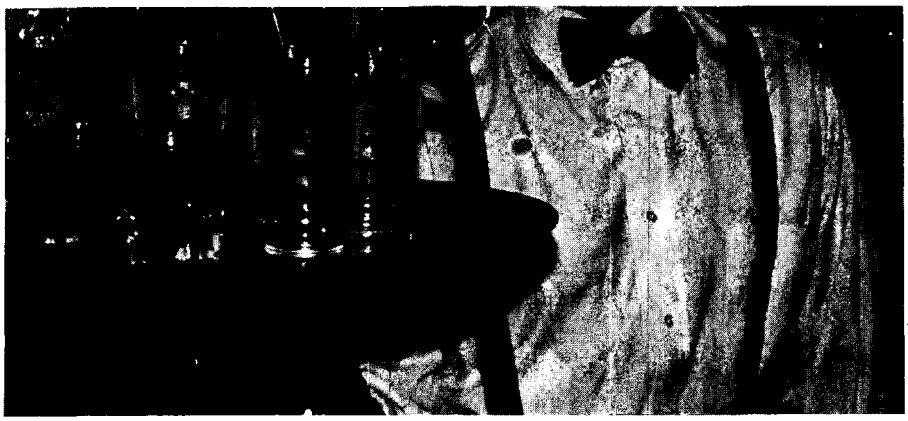

Photo by Steven Forster

Governing Under the Influence

by Steven Waldman

Deaver Cites Alcoholism as Perjury Trial Defense.

The New York Times,
October 3, 1987

Give me a break, I thought. Who's Deaver trying to fool? It just doesn't add up. First, if he was so intoxicated, could he really have survived as a top White House aide or superlobbyist? Second, if he were constantly guzzling scotch as he claims, wouldn't his colleagues have been suspicious? And if he were *that* blitzed, wouldn't reporters have jumped on the story?

Deaver's defense may or may not have been contrived, but the scenario behind it is plausible. Yes, alcoholics can do their jobs at the same time they ruin themselves. Yes, colleagues can be oblivious to the effects of even heavy drinking. And finally, reporters *usually* fail to cover the drinking problems of Washington officials. While Deaver's defense is unusual, alcoholism in Washington isn't.

"I suspect," writes former Senator Herman Talmadge, "alcoholism is as much of an occupational disease among politicians as black lung is among coal miners."

Washington is certainly not the only place where both alcoholism and misunderstanding about alcoholism are widespread. But Washington has its own elaborate system that can disguise the problem and conceal its effect on the city's work product, public policy. Often, it creates a special alcoholic's trap: the more important a public official is, the less likely he will be forced to confront his problem drinking. "I knew several alcoholics," says Richard Bolling, former chairman of the House Rules Committee and a recovering alcoholic, "and they all were in important positions."

One would think that this would be a point of interest to the media. Ironically, the recent press willingness to peep through the bushes at a public figure's private conduct has focused on fuzzy "character" and "judgment" issues. Reporters have often overlooked a problem that would seem to relate much more directly to "job performance," the one criterion both critics and defenders of the press agree is fair game. So where are all the drunk politician stories?

Steven Waldman, a contributing editor of The Washington Monthly, *is a member of* Newsweek*'s Washington bureau. Jonathan Frankel provided research assistance for this article.*

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From 1965 to 1980, some of the most important leadership positions on Capitol Hill were held by congressmen with drinking problems, including the majority leader (Hale Boggs) and the chairmen of the Ways and Means (Wilbur Mills), Rules (Bolling), and Armed Services (L. Mendel Rivers) committees.

The noticeable effects of their drinking ran quite a spectrum. At one end was Rivers, who was regularly drying out at Bethesda Naval Hospital during the same period he had access to top classified defense and intelligence information. At the other was Bolling, who showed no signs of excessive drinking but later conceded he was an alcoholic.

Reporters who covered Rivers knew about his drinking. But it wasn't exposed in print until columnists Drew Pearson and Jack Anderson began writing about it. They focused on Rivers's sensitive position as chairman of the Armed Services Committee and a separate committee that oversaw the CIA. "While Congress has spent millions exposing communists and non-conformists," Pearson and Anderson wrote in 1967, "it has carefully protected its own security risks." They reported that the markup for the $18 billion military authorization bill had to be delayed five times while Rivers was "resting" in Bethesda Naval Hospital. Committee colleagues, they wrote, "have urged [Rivers] to stay on the wagon at least long enough to win" key battles against the Johnson administration. One of his former secretaries said "sometimes we would come into his office and find it strewn with bottles and the safe would be wide open."

Alcohol problems stalked Majority Leader Hale Boggs too and similarly went unreported until Anderson and Pearson got the story. "House Speaker Carl Albert is so wary of Boggs's behavior," Anderson wrote, "that he is afraid to step down from the chair and turn control of the House over to the man who is supposed to be his prime assistant." Questions about Albert's own drinking were raised in Anderson's column and later spilled onto the news pages when the speaker smashed up his car outside his favorite bar, the Zebra Room. Witnesses described him as "obviously drunk."

Across the rotunda in the Senate, alcohol problems among top leaders were just as prevalent. Former senators who have acknowledged alcoholism included the chairman of the Agriculture Committee (Herman Talmadge); the chairman of the Finance Committee (Russell Long), who went on the wagon in the 1970s; and a senior liberal (Harrison Williams), who later went to prison after an Abscam sting caught him taking bribes. According to Robert Parker, the former maitre d' of the Senate dining room, and Louis Hurst, the former doorkeeper of the Senate, the list of problem-drinking senators should also include Warren Magnuson (chairman of the Commerce Committee), and Parker adds Joe McCarthy and Estes Kefauver, Adlai Stevenson's running mate in 1956. One Senate leader in the 1960s was so drunk that he urinated in his pants and passed out on the Senate floor, according to Parker. As Wayne Morse, who served in the Senate from 1945 to 1969, once said: "There has never been one night session of the Senate in all my experience that hasn't witnessed at least one senator making a fool of himself and disgracing the Senate."

These congressmen do not exhaust the list. Harold Hughes, an alcoholic who had stopped drinking before joining the Senate in 1970, says that during his one term about ten colleagues sought his help for drinking problems. "And I'm sure there were a lot more who could have used it," he says.

Pleading guilty

But these are examples from the past, you say, replaced by a health-conscious generation more likely to sneak off to the gym to shoot hoops than to a hideaway to do shots. True, the acknowledged alcoholics are gone from Congress (an important reason why they're more willing to discuss their problems), and alcoholism is less *visible* on the Hill. But there is plenty of evidence that drinking remains a serious problem among Washington's political leaders.

To begin with, there are the statistics. Nationally, per capita alchohol consumption rose steadily from 1960 to a peak in 1981, from which it has declined only slightly. The National Institute on Alcohol Abuse and Alcoholism estimates that alcohol abuse today remains at roughly the same level as it was two decades ago and that 10 percent of U.S. adults are alcoholics. Washington still has the highest per capita consumption of alcohol in the country. "I'd feel very safe in saying 10 to 12 percent of members of Congress are in trouble with alcohol," says Bob Witt, a counselor who has treated members of Congress and staff. N. Burton Grace, director of the Total Health and Education Counseling center, which runs a drunk-driver counseling program for the District of Columbia, says just as many public officials are enrolled in his program as ten years ago. "For us to pretend there aren't members of Congress

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[with drinking problems]," says former Senator Hughes, "is pure bullshit."

Beyond the numbers there are recent examples. Rep. Charlie Wilson of Texas says he had a drinking problem until 1985, when he stopped. "I drank a lot and I drank every day." Since he went public, he says, two other members of the House have told him they wished they could stop drinking.

Former Rep. Robert Bauman, a recovering alcoholic who left the House in 1980, says, "I do know of members who drank during session. I knew of congressmen who ran open bars." In recent interviews, aides recalled members showing up drunk on the House and Senate floors. Rep. Barney Frank has seen such incidents as well. "There have been a couple of times where people have been obviously drunk on the floor," he says.

Moreover, there are at least six current members of Congress who have been stopped for driving while intoxicated or under the influence of alcohol. While driving drunk doesn't mean someone is an alcoholic, counselors say it often indicates a drinking problem. In 1985, Senator Robert Kasten of Wisconsin was arrested after driving through a red light and down the wrong side of the road.

He was sentenced to attend a D.C. counseling program for social drinking. Last June, Rep. Dan Rostenkowski pleaded guilty to drunk driving after doing 70 mph in a 55-mph zone. Rostenkowski, the chairman of the House Ways and Means Committee, had his license revoked.

And going further back in history, there's Chappaquidick. Edward Kennedy's alcohol consumption the night he drove off the narrow Cape Cod bridge with Mary Jo Kopechne has been a topic of speculation for 18 years. Kennedy said at the time that he'd had only two drinks before escorting Kopechne from the party they attended. A controversial book scheduled for publication in the spring disputes that claim. According to its author, Leo Damore, the book quotes a guest at the party Kennedy attended earlier in the evening as saying the senator had three scotch-and-sodas before going to the second party where he concedes he had two more. Other Kennedy biographies are sprinkled with references to incidents of drunkenness early in his career.

Buttermilk and bourbon

Washington officials with a penchant for drinking have no shortage of cocktail parties and receptions to tempt them. The foreign policy establishment thrives on the well-stocked embassy party. Congressmen and their staff face a deluge of receptions. Wilson says he drank excessively because of job pressure and the "god awful" boredom of the mandatory cocktail party circuit. In her autobiography, Betty Ford, a recovering alcoholic, described how alcohol was central to the constant celebration and socializing, from the "magical martinis in the White House" to the "endless toasts at political parties." Former Senator Talmadge's recent autobiography makes a similar point. "A person living and working in Washington, D.C. could attend receptions and parties night and day seven days a week," he writes. "Many of these are social gatherings, but quite a few are also occasions where political business is transacted. . . . [S]omeone who genuinely liked to drink and socialize was in constant danger of getting hooked on the stuff."

While public officials may have easier access to liquor than most people do, all alcohol abusers find ways to drink. What distinguishes the culture of official Washington is the shortage of checks on excessive drinking. It's here that the perks of power play perverse tricks.

Alcoholism treatment professionals refer to an "enabler," a person who enables an alcoholic to avoid facing his or her problem. It may be a wife who calls work to tell the boss that her hungover husband has the flu. Or the daughter who cleans up the mess her drunken mother leaves at night.

Washington officials, particularly congressmen, live in a colony of enablers—colleagues, family members, and aides adept at disguising drinking problems from the public. A key part of a staff member's job is to cover up for the weaknesses of his boss. That's as true for the senile congressman as it is for the alcoholic; the difference is that a senile congressman will not become more senile because of staff help.

One former top aide to a senator says that when television cameras first came to the Senate in June 1986 he and other staff members were so concerned their boss might be seen on the floor drunk that they agreed to accompany him there during night sessions. "There is such a cocoon of protection by staff and reporters," he says. "You've got this entire staff where public images and presentation is the major part of the job."

It's always difficult to confront an alcoholic about his or her drinking. Add to that the personality traits of many Capitol Hill aides— "there are a lot of sycophants," former Rep. Bauman notes—and the chances of such confrontations are even less likely.

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"I suspect alcoholism is as much of an occupational disease among politicians as black lung is among coal miners," writes former Senator Herman Talmadge.

The same principle operates in other branches of the government. In the executive branch, senior civil servants are all too happy to step in and assume the responsibilities of political appointees with drinking problems. The intervention increases the civil servants' power and keeps the appointee from looking bad with the boss. But it also decreases the likelihood that the superior will confront his alcohol abuse. "I have seen some folks at the assistant secretary level in major departments who were clearly incompetent or impaired," says Don Phillips, president of Cope, Inc., a private firm that runs treatment programs for federal employees. "Then a significant person under him assumed a majority of the responsibilities."

Colleagues and close friends are no likelier to confront a legislator. "Other politicos in the state who have a vested interest in the senator, good friends for years who still have an interest, staff, press, they all [will be reluctant to say anything]," says a former administrative assistant to a senator. Even family members may be hesitant for fear that a confrontation might go public and lose the legislator the seat. In at least one case in 1971, legislators not only tolerated a colleague's drunkenness but counted on it. Richard Bolling recalls that part of the strategy for expanding the House Rules Committee assumed a particular congressman would stay so drunk he wouldn't show up for a key vote. "I'm not proud of it, but it happened," he says.

Special privileges have held true even in the Senate dining room, where serving alcohol has been forbidden for many years. Thirsty senators have been able to get around the rules with a system of codes, says Robert Parker. He says, for example, one senator would order tomato juice, which to Parker meant Bloody Marys. Former Senate doorkeeper Hurst, wrote in his book, *The Sweetest Little Club in the World,* that Senator Carl Hayden would enter the Senate dining room in the morning "after a toot the night before" and ask for buttermilk. "This was the signal for a certain waiter to go get something from the private stock—a double shot of bourbon, which was served to the senator in an iced-tea glass of buttermilk."

This band of protection often enables public officials to keep drinking even when most people would have been caught. In part, that's because most problem drinkers have bosses. And an increasing number of companies have employee assistance programs in which supervisors can help, often force, employees to get treatment early. Congress has required all federal agencies to set up these programs too. But Congress exempted itself.

Even the police contribute to the problem, often showing reluctance to arrest congressmen for drunk driving or other crimes. After Carl Albert was stopped after his suspicious car accident, when Congress was still setting the salaries for D.C. police, he told officers on the scene, "You can't arrest me. I got you your raise." Often they either don't want to rock the boat or believe that these incidents fall under the immunity provision of the Constitution, which protects a congressman from being arrested during the performance of duties like driving home from the Capitol.

In March 1983, police in Montgomery County, Maryland stopped Rep. Louis Stokes for drunk driving but initially didn't file charges because they thought congressional immunity protected him. Two days later, after a police department lawyer informed them that drunk driving wasn't a constitutional right for congressmen, police charged him. Stokes, who said he had had only two drinks, was found guilty of driving while under the influence but not guilty of the more serious charge of driving while intoxicated. Exhibiting what might be considered a strong case of denial, he castigated the media

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"At least it didn't affect my judgment," Wilbur Mills recalls. "I went back and checked my votes." Why did he have to go back and check his votes? "Well," he says, "I was experiencing alcoholic blackouts throughout the whole period."

for its "rush to judgment" in reporting the incident. "I always knew that someday, racism and bigotry in the media would raise its ugly head against me, too." Stokes, then chairman of the House Ethics Committee, paid for his legal fees out of campaign funds. Today Stokes is chairman of the House Intelligence Committee.

One former congressman told a recent meeting of Alcoholics Anonymous that he once woke up in a cab not knowing where he was. He started screaming at the cab driver, who retaliated by taking him to a police station where the drunk congressman then tried to beat up a cop. The police detained him but released him when he finally explained he was a congressman. Being a member of Congress, he told the AA meeting, hurt him in the long run because it kept him from getting help.

Won't even appear drunk

Surely, one can't help but think, an official in the spotlight couldn't cover up a drinking problem for long. It soon would become obvious at least to colleagues and friends and probably to the press. Hence the skepticism about Deaver's claims.

But to understand how people can perform competently *at the same time* alcohol is wearing them down and impairing their abilities, we need to understand how alcohol affects the brain.

For starters, you don't have to be an *alcoholic* for drinking to affect the mind's work capacity. Alcoholism is a medical condition in which the body develops a chemical dependency on alcohol. When an alcoholic stops drinking, he or she will experience withdrawal symptoms. Heavy drinkers who are not alcoholics can still suffer impairment in a variety of ways. Physically, the alcohol wears down the body. Emotionally, it is likely to cause increased irritability and other behavioral changes. And mentally, it causes what physicians call "cognitive impairment," hindering the ability to recall information, make sound judgments, think creatively, and solve problems.

Most of us know from occasional nights of excess that when we get drunk we will be impaired both while intoxicated and the next morning. But for regular drinkers cognitive impairment lasts longer, diminishing those intellectual functions even when the person isn't drunk or hung over, according to Dr. Boris Tabakoff, scientific director for the National Institute on Alcohol Abuse and Alcoholism. And, as Harold Hughes, notes without a trace of sarcasm, "The mind is the key organ used as a member of Congress."

Consider the case of Wilbur Mills, whose drinking occurred mostly after hours. When I asked Mills, who now speaks on behalf of Alcoholics Anonymous, whether he thought his drinking had affected his work quality he said, "No. At least it didn't affect my judgment." How did he know? "I went back and checked my votes." And why did he have to go back and check his votes? "Well," he said, "I was experiencing alcoholic blackouts throughout the whole period."

Brain cells can adapt over time and learn to function in the presence of alcohol. This is the building of tolerance. The problem is that when the person wakes up in the morning and doesn't get alcohol, the cell has to adjust back to functioning without alcohol. Over time, the constant adjustment and readjustment causes enduring, sometimes irreversible damage. So there's a key difference between a politician who sleeps around with models half his age and a politician who drinks too much: one activity kills brain cells and the other doesn't.

Heavy drinkers can develop such a high tolerance that they won't even appear drunk. And the mind as a whole can adapt by managing the brain's incapacity, the mental equivalent of favoring a healthy leg over an injured one. For exam-

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ple, an individual can perform adequately, or even well, by concentrating on a smaller number of jobs and delegating the rest. "I am often amazed to see how fighter pilots, air traffic controllers, commanding officers—people with really demanding jobs—manage to do jobs well," says Douglas M. Grodon, who runs the treatment program at Bethesda Naval Hospital. In fact, Wilbur Mills seemed so adept at guiding complex tax bills through the House that most reporters were surprised to learn of his problem once he announced it.

So it's not suspicious that many of Michael Deaver's friends and colleagues claim to have been surprised when they heard about his problem. "There was little to give me away," he writes in the draft of a book to be released in February. For one thing, Deaver devoured three rolls of breath mints a day so he undoubtedly smelled more like a candy shop than a distillery. "I did not humiliate myself at parties, did not get arrested for driving while intoxicated, did not jump into the Tidal Basin with a stripper or make love to my wife—or anyone else's wife—on the steps of Congress. But clearly I was headed for a disaster."

A cozy, comfortable arrangement

Where does this leave reporters? While alcohol abuse is likely to affect a legislator's mental capacity, it might not *noticeably* affect his job performance. Even the most alert reporter will have some trouble determining how the congressman's gray matter is faring on any given day. Knowing how much a member drinks isn't enough to go on because different people handle alcohol differently.

Besides, it's very difficult to distinguish a legislator who can't figure out the National Porkbarrel Appreciation Act because too much liquor has tormented his brain cells from one who can't figure it out under any circumstances. Even personality changes can be ascribed to many different causes. One reporter who covered Deaver now recalls episodes that, in retrospect, may have shown hints of alcoholism but that he wrote off as signs of pressure typical to many White House officials. "There was some erraticness," the reporter says, "but he wasn't erratic in a way that was different from anyone else."

For a long time, such subtleties weren't a problem: reporters and editors didn't cover alcoholism at all. More startling than Drew Pearson's and Jack Anderson's scoop about Mendel Rivers was that none of the defense reporters who covered Rivers broke the story first. Even more remarkable, reporters covering Joe McCarthy knew he drank heavily but didn't report it until after his censure. "It was part of that response to ignore personal peccadillos," says Seth Kantor, a long time Capitol Hill correspondent, now with Cox newspapers.

One reason is that heavy drinking was common among journalists themselves and was often seen as a sign of bravado. In a recent column arguing that reporters who work in glass cubicles shouldn't throw stones, David Broder recalled that during the 1960 presidential campaign, if one journalist was too smashed to file, another reporter would cover for him, filing under the incapacitated journalist's byline, using chunks from other reporters' articles. Journalists, in turn, ignored the "private foibles" of the candidates. "It was a cozy, comfortable arrangement all around," Broder wrote.

In addition, reporters often knew of an official's drinking but refrained from putting it in print because they could point to no direct effect on job performance. Alan Cromley of the *Daily Oklahoman,* says he wrote about Carl Albert's traffic problems, but little more, even though he had heard about Albert occasionally being intoxicated at cocktail parties. "He could have made a real spectacle and it probably wouldn't have been written about," Cromley says. "We just never saw any evidence it affected his job."

Similarly, reporters covering Herman Talmadge got dramatically conflicting signals. They noted that despite his drinking the senator was always up jogging at 4:30 a.m. and at the office early. "Everybody knew he drank occasionally, but he had work habits that were so phenomenal that we ignored it," recalls Jim Stewart, who covered him for the *Atlanta Constitution*. Ironically, in his autobiography, Talmadge himself concedes: "I was spending too much time drunk or hungover to be the sort of senator I wanted to be."

Reporters held out for a blatant example of liquor altering public policy. Eileen Shanahan, who covered Russell Long for *The New York Times*, found it was nearly impossible to meet this standard. She knew Long had a drinking problem because she had seen him clearly intoxicated on a number of occasions. In 1967, she thought she finally had a chance to write about it.

Long was holding up an important tax bill as a way of killing an income tax checkoff for presidential candidates. "Each morning [Majority Leader Mike] Mansfield would talk him into

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letting the bill go," Shanahan says. "Then, in the afternoon, Long, full of booze, would harangue the Senate about how awful that provision was" and refuse to let the bill through. This went on for about a week.

Shanahan filed a story that said something to this effect: "Russell Long, clearly intoxicated, said such and such. . . ." But her editors at *The New York Times* didn't think it was fit to print.

"How do you know he was intoxicated?" Shanahan recalls them cabling from New York.

"Because I stood next to him and his breath nearly knocked me off my feet," she said.

"How do you know he didn't just have bad breath?" they asked.

"Because a few times he was so rambunctious two guys had to carry him off the floor," she said.

"How do you know he wasn't just overtaken by a sudden fever?"

Shanahan lost the argument, which she describes as one of the biggest fights of her career. The reference never appeared in print. Other reporters wrote simply that Long was in "high spirits."

Journalistic mores probably have changed enough that if this incident were to happen today, at least some newspapers would write about it. But there are still reasons thorough coverage of drinking may not occur. For example, as the Rivers case shows, the reporters who are most likely to know if a congressman drinks too much are the ones who can least afford to alienate him. Hometown reporters in Washington or beat reporters covering a certain area will be reluctant to cut off their news lifelines. More often journalists are simply warded off by the sheer ambiguity of the cases. Unlike adultery or drug consumption, which pose yes or no questions—did he do it or not?—problem drinking is more difficult to judge.

The dominant rule among journalists has always been: if you can't prove it affects job performance, don't write about it. And since that's almost impossible to do, very little is written. But there are signs of change. For example, Texas papers did report on the drinking of "Goodtime Charlie" Wilson. Unfortunately, they usually referred to it euphemistically as "partying," only a modest step away from the coverage of the senator in "high spirits." After Wilson quit drinking, the press started to ask the right questions. The *Lufkin News*, for example, quoted Wilson's administrative assistant, Charlie Schnabel, as saying that abstinence has "given [Wilson] more time to think and work on the mornings after." The drinking had "created what I call a dependability gap," Schnabel said. "People began to think he could no longer be depended on."

The big test case for how journalists will cover drinking in the post-Gary Hart era is that of Senator Daniel P. Moynihan. Here the press is groping a bit, but is headed in the right direction. Several publications have written that Moynihan might have an alcohol problem. In an article last year by David Remnick, *The Washington Post* took an important step toward a new coverage of drinking. Remnick quoted by name a source who gave one estimate of how much Moynihan drinks, an amount that some might consider a lot. The source: Moynihan himself. "I go home and have two or three drinks with my wife," Moynihan said, "and split a bottle of claret." When Remnick asked if drinking was "for him a problem in any way, Moynihan is quiet for awhile, then says slowly, 'No. I hope not. Here I am 59 years old. . .without a day's break since 1965 or 1964. A steady life—one wife, three kids, three mortgages.' "

Both the *Post* and *The New York Times* also quoted former Moynihan aides who said the senator's drinking didn't affect his job performance. They point to Moynihan's leadership on welfare reform as proof that he hasn't lost a step. "It's not the kind of thing where he's ever incapacitated when he has to be working," an ex-aide told the *Times*. Indeed, while several of the former staff people I talked to said that they thought Moynihan drinks a lot—some said too much for his own good—none could cite an instance when drinking had noticeably affected the

JOB

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Eileen Shanahan's story said something to this effect: "Senator Russell Long, clearly intoxicated, . . ." But her editors at *The New York Times* didn't think it was fit to print.

senator's work. None of the other articles have offered such proof either. Of course determining sobriety is particularly difficult with Moynihan because he *always* sounds a little like he's drunk. He slightly slurs his speech, wanders off on puzzling historical digressions about Lord Palmerston and the history of the interstate highway system, and spits out words in a staccato blitz that challenges the most attentive listener. But former staff members say they have never seen him publicly intoxicated.

If drinking has affected Moynihan it has been in more ambiguous ways, in making him more "feckless," as one former aide delicately put it, or in thwarting his potential. But that is impossible to prove, and even if one could, it would be difficult to show how it hurt the people of New York. As his wife Elizabeth said, "He hasn't been arrested for drunk driving or fallen into the fountain at the Plaza."

Coming to Moynihan's defense in a *Newsweek* column, George Will attacked the reporting as "voyeurism in the name of the public's sacred 'right to know.' " Will did land some punches, justifiably criticizing the *Times* for using innuendo-packed fuzz words. The *Times* avoided having to discuss how much Moynihan drinks by writing that "political analysts" were predicting that "an aggressive challenger" will tar Moynihan by "raising awkward questions about Mr. Moynihan's longstanding reputation as a hard-drinking Irishman."

But Will went on to castigate the press for writing about Moynihan's drinking without proof that it affected his job performance, declaring that "a personal attribute [i.e. Moynihan's drinking] becomes a legitimate public concern when it affects the person's conduct of public responsibilities."

Will misses the lesson of the Talmadge, Wilson, Deaver, Bauman, and Mills cases: alcohol may be impairing abilities and performance in subtle but important ways without causing a blatant failure to discharge "public responsibilities." Simply put, the old standard offered by Will and others misses *most* public officials whose job performance is being affected by alcohol.

"That's wrong"

Heavy, regular drinking should be reported—even if it never occurs during session and even if there's no definitive proof that it affects job performance. If a public official has so little self-control that he appears drunk in front of colleagues or the press, it is worth noting.

But that reporting should only be part of a larger story about the official. Has he slipped over the years? Is he trusted by his colleagues? In other words, put it in perspective. As Laurence Barrett, who covered Deaver for *Time*, says, reporters shouldn't write about drinking by "painting it in electric blue and billboarding it," but by putting it in perspective.

The *Post*'s failure to come up with conclusive proof that liquor has made Moynihan a worse senator does not mean his drinking isn't newsworthy. In fact, in most cases voters have not kicked officials out of office when a drinking problem has became public, particularly if the legislator was trying to get help. Charlie Wilson's district returned him to office by a two-to-one margin after he revealed he drank excessively.

The problem shouldn't be ignored until the legislator pisses in his pants on the floor of the Senate. Wilbur Mills wishes someone had confronted him. He is now known as the guy who showed up with Fanne Foxe at the Tidal Basin instead of one of the most respected members of Congress of his time. He doesn't blame anyone else for his own troubles. But the one touch of indignation he did show during our conversation concerned the staff and press who had covered up for other alcoholic congressmen.

"They turned their head, they shielded them and that's wrong," he says. "No alcoholic should be shielded if they ever want to get permanently sober." □

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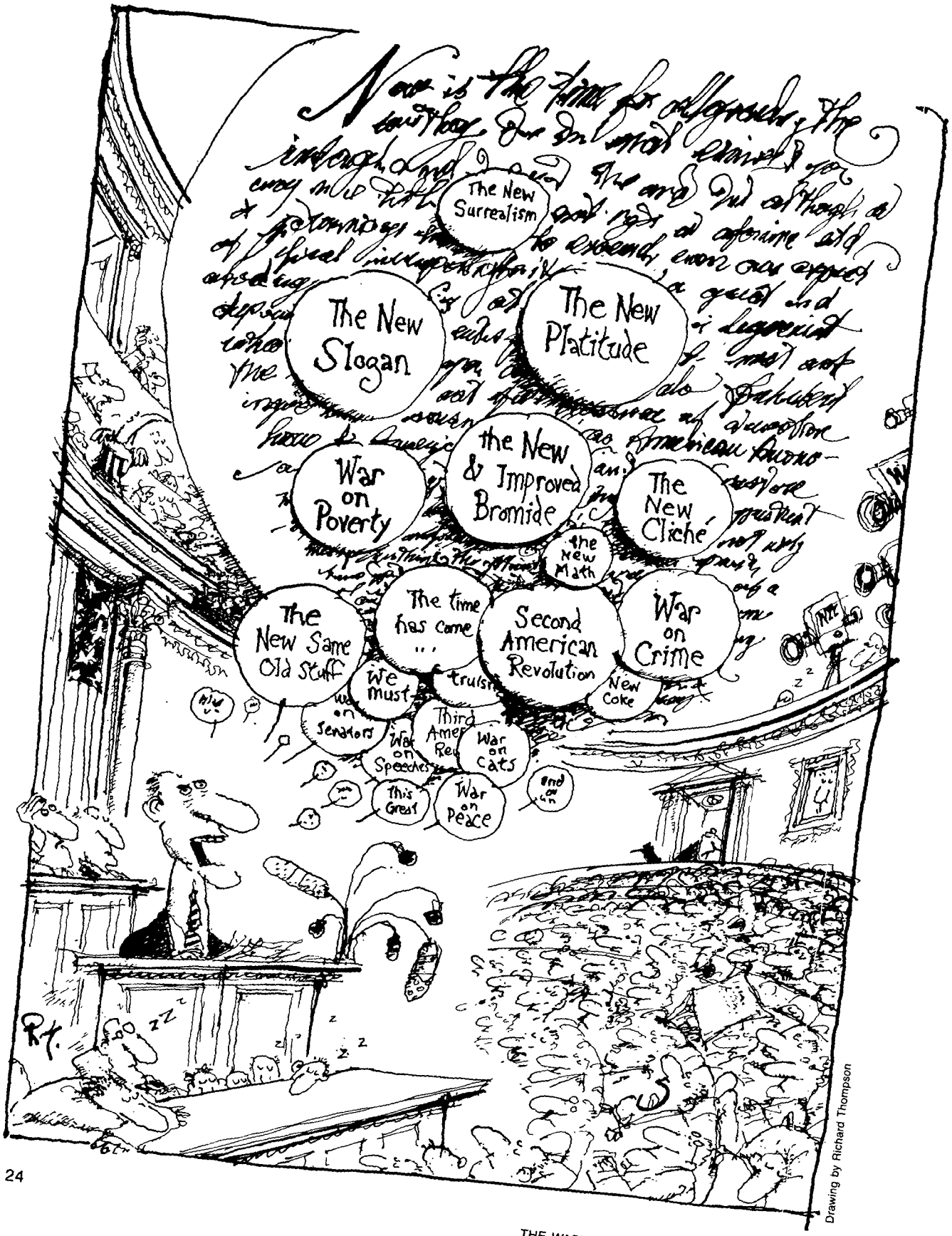

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No Wonder the Ratings Are Low

Thomas Jefferson refused to give a State of the Union Address. Maybe that wasn't such a bad idea.

by Jonathan Frankel

In November 1978, five of President Carter's speechwriters gathered in chief speechwriter James Fallows's White House office to begin a preliminary draft of the State of the Union Address. Fallows and Paul Jensen, fresh from the tennis court and still sporting their whites, were joined by Hendrik Hertzberg, Walter Shapiro, and Robert Rackliff. The night before, the president had embarrassed himself in a television interview with Bill Moyers by being unable to cite a coherent theme to his presidency. So the five writers wanted an overarching slogan for the address. Early on they decided that it should be two words and that the first should be "new," harking back to the political slogans of yesteryear. They tried some combinations with "groundwork" and "building blocks" and even considered scrapping "new" for "improved." After about an hour of brainstorming, Hertzberg came up with the "New Foundation." The test-tube slogan was filed away for two months until a week before the speech, when it was plucked from a file cabinet and became the centerpiece of the address. "In the back of my mind," Shapiro says, "I was thinking, 'I just know FDR didn't do it like this.'"

Maybe FDR didn't, but lots of other presidents did. The State of the Union Address has become a collection of jerry-rigged slogans, mix-and-match metaphors, and pet ideas. Sure, it has all the trappings of a national drama—Supreme Court justices make a rare public appearance, the doorkeeper of the House announces the president's arrival, cameras pan a crowded and attentive chamber—but the truth is the State of the Union relates less and less to the state of the union each year.

Jonathan Frankel is an intern at The Washington Monthly.

The metaphor war

We owe the idea to the British, who traditionally have the monarch address the opening of Parliament. The framers at our Constitutional Convention founded the President's Annual Message, as it used to be called, with little doubt about its usefulness, writing it into Article II, Section 3 with no recorded debate. But despite the clear original intent, there has been controversy. The speech's royal lineage so vexed the farmer-republican Thomas Jefferson that in 1801 he broke with Washington's precedent and refused to deliver the Annual Message in person. Instead, he sent a written statement to Capitol Hill. Throughout the nineteenth century, the Annual Message was little more than a memo.

Then came Woodrow Wilson. Ignoring congressional outrage, he announced he would address the legislature in person and did so every year for six years until he became ill. His

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Republican successors ventured only sporadically down Pennsylvania Avenue. Franklin Roosevelt, however, seized upon the idea of delivering his own messages, adding to them his brilliant flair for the spoken word. (It was under FDR that the number of applause lines and fumbled words became one of the marks of how successful or unsuccessful the speech was.) The address's name changed to the State of the Union Message, and radio, and later TV, started broadcasting it.

While Truman, Eisenhower, and Kennedy generally kept their messages detailed and dull, Lyndon Johnson dramatically transformed the address by switching it from noon to prime time in 1965 and, in doing so, introducing the TelePrompTer to the congressional chambers.

Everything changed. The big memo became the big speech, studded with rhetorical flourishes and shopping lists of programs the president wanted. Johnson began nine straight sentences with "I propose" in 1965 and then nine "I recommend"s in 1966. The next year, he topped that with ten straight "we have"s and ten more "we should"s. With his presidency under siege in 1967, he dropped to a mere five "let us"es. Nixon's speechwriters liked the idea, too, so they strung six "this can be"s in a row in 1971, seven "we believe"s in 1972, eight "five years ago"s and nine "we will"s in 1974.

Repetition has since gone out of style, but the catchiest idea of the LBJ years stuck: the war metaphor. If you want the public behind you, declare war. Ike waged War on Disease in 1954, but the 1960s were the heyday of the social war. "This administration today, here and now, declares unconditional war on poverty in America," LBJ proclaimed in the 1964 address. "It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won." Subsequent addresses gave gloomy reports from the front.

In his first address, Nixon vowed to wage war on war metaphors. "We've heard a great deal of overblown rhetoric during the sixties in which the word *war* has perhaps too often been used. The war on poverty, the war on misery, the war on disease, the war on hunger." That said, Nixon still couldn't resist launching his own. "If there is one area where the word *war* is appropriate it is the fight against crime. We must declare and win the war against the criminal elements which increasingly threaten our cities, our homes, and our lives." But the lines of battle got confused in the next day's *New York Times* headline: "Nixon Pledges War on Pollution in State of the Union."

When they are not declaring war, presidents love telling us what's new. Woodrow Wilson started with his New Freedom, and we passed through Roosevelt's New Deal and Kennedy's New Frontier before the first "new" program popped up in a State of the Union. Once they started, they couldn't stop.

Johnson clearly preferred wars, but in 1965 he suggested a New Partnership between federal, state, and local governments to preserve the environment. (Nixon repackaged the idea under the War on Pollution and the New Federalism.) In fact, Nixon's 1970 address was big news for new-watchers. He declared the 1970s a time for New Beginnings, offered a New Road for America, and advised a New Approach in our dealings with Latin America.

But the biggest "new" in the 1970 speech was New Federalism, Nixon's plan to return power to the states. When Congress didn't oblige him, he offered different slogans a year later for the same idea—the New Partnership, the New Direction, and the New American Revolution. The slogan was new but the idea was old. In 1970: "It is time for a New Federalism in which... [power] will begin to flow from Washington back to the states and the people of the United States." In 1971: "The time has now come in America to reverse the flow of power and resources from the states and communities to Washington...."

Striking out on his own in 1976, President Ford called "for a fundamentally different approach, for a New Realism that is true to the great principles on which this nation is founded." Between the branches of government, Ford declared, the nation needed a New Balance.

Ladies' underwear

With his first address, President Carter demanded both a New Spirit and a New Partnership between "those of us who lead and those who elect." That went nowhere, so the next year, relying on phrasemakers Fallows, Shapiro, and Hertzberg, he went whole hog with the New Foundation.

Without many initiatives to back it up, the slogan itself became a target. Russell Baker accused Carter of trying to "squeeze a last bit of political value out of the poor, tired old 'new' on the chance that there might be a little toothpaste left in the tube." Daniel Patrick Moynihan exacerbated Carter's problems when he whimsically noted that New Foundation appears in the first lines of the communist "Internationale," the

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The Cabinet Shuffle

Cabinet jockeying is another State of the Union favorite. In 1966, LBJ suggested combining 35 separate agencies into a Department of Transportation. The next year he wanted to merge Commerce and Labor into one Department of Business and Labor. Nixon was even more dramatic, proposing to disband all the departments but four—Justice, State, Treasury, and Defense—and replace the rest with the Departments of "Human Resources," "Community Development," "Natural Resources," and "Economic Development." For his part, Reagan proposed abolishing the Education and Energy departments.

Most of these proposals were offered in the name of cutting government. Said LBJ in 1966: "We will ruthlessly attack waste and inefficiency." Nixon followed with this declaration in 1973: "If we have to continue to expand the federal government at the rate of the past several decades, it will consume us entirely." Ford added three years later: "We are wasting literally millions of working hours costing taxpayers and consumers billions of dollars because of bureaucratic red tape." Carter's turn came in 1978: "I know the American people are sick and tired of federal paperwork and red tape." And finally, Reagan in 1985: "We are moving ahead with Grace Commission reforms to eliminate waste and improve government's management practices."

Meanwhile, the Energy and Education departments stayed, and the bureaucracy grew. What's in store for this year? Look for Reagan to reiterate his call to make the Veterans Administration a cabinet-level agency. I can hear it already: ". . . improving our national defense means helping our veterans. The time has come to protect their long-neglected rights and give them a seat at the cabinet table where they belong. I propose. . ."

—*J.F.*

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Soviet anthem until 1943. The New Foundation eventually died an ignoble death in a hail of women's undergarment jokes.

The crash and burn of the New Foundation might have spelled the end of "new," but Ronald Reagan gave it new (oops) life. In his 1982 address, in addition to calling for another New Beginning, Reagan asked for adherence to his year-old call for a New Spirit of Partnership. Who was this new partnership between? If you guessed federal, state, and local government, you're almost right. Reagan included in the New Partnership branches of the federal government. The press had by this time dubbed Reagan's New Spirit of Partnership, New Federalism.

Reagan wasn't done. In 1985, he tried New Freedom and then added, "The time has come for a great New Challenge, a Second American Revolution of hope and opportunity." The New Challenge part was original, but the Second American Revolution bears a strong resemblance to Nixon's New American Revolution.

Do you recognize the phrase "the time has come?" You should. That was also how Ford heralded his New Realism and Nixon his New Partnership. And that's not all. In 1968: "The time has come when we must get to those who are last in line. . ."; in 1970: "The time has also come for better emphasis on developing better ways of managing what we have. . ."; in 1971: "The time has come to take a new direction. . . ."

Just to round out the slogans, I should mention Carter's crowd-pleaser that wasn't. "The first slogan I tried to sell to [Carter] was the "Beloved Community," said Hendrik Hertzberg at a 1983 conference. "[We] dropped it into the end of the 1978 State of the Union speech, but it failed to attract any notice, partly because we didn't do any backgrounding on it. . . ." In other words, they forgot to tip off the press to make a big deal out of it.

In recent years, the State of the Union has become what James David Barber calls the Johnny Carson show of presidential addresses, complete with its own guest stars. In fulfilling his constitutional obligations, Reagan has introduced heroes in the balcony, like crash-victim savior Lenny Skutnick and Harlem antidrug crusader Mother Hale. While other presidents have quoted from works like Paine's *Common Sense* and Tocqueville's *Democracy in America*, Reagan found a gem in Spielberg's *Back to the Future*. "Where we're going, we don't need roads," he said in his 1986 message. It was all part of the make-the-president-forward-looking campaign that spawned other State of the Union winners like the Orient Express (Dulles to Tokyo in two hours maybe, $500,000 tickets definitely) and the space station ($30 billion, at best). In the House chamber, Republicans yelped and hollered, and Democrats applauded cooly. Across the country, ratings were low. □

MEMO OF THE MONTH

DEPARTMENT OF THE NAVY
NAVAL UNDERWATER SYSTEMS CENTER

NEWPORT LABORATORY
NEWPORT, RI 02841

NEW LONDON LABORATORY
NEW LONDON, CT 06320

IN REPLY REFER TO:
Ser 701AL/49
21 Oct 1987

MEMORANDUM

From: 01A
To: All Hands

Subj: DOMESTIC ANIMALS ON GOVERNMENT PROPERTY

1. The Center has experienced problems recently with wild cats (feral) attacking employees performing duties at the Laboratory. Because of this incident and the potential safety and medical problems these cats pose to Center employees, a contract has been issued to rid the Center of this problem.

2. The contractor is capturing these cats live in cages and turning them over to an animal shelter. The animal shelter has indicated that feral cats can be reconditioned and returned to domestic life within one week of capture.

3. The problem is that some Center employees have been feeding these cats and releasing them from the cages. This notice is to inform all employees that it is against OPNAV policy to have unauthorized domestic animals on military installations. Therefore, effective immediately, any employee caught hampering the contractor's efforts in capturing these cats will be subject to disciplinary action. It is the responsibility of all employees and supervisors at NUSC to help the Center rid itself of the problem.

J. H. KEEGAN

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Here's the BEEF

What the press hasn't asked. What the candidates haven't answered.

by Phillip Keisling

"I'm someone who happens to believe that more trade is better than less trade," confides Candidate Dukakis out on the hustings.

"Building good jobs is going to be our top job," volunteers rival Candidate Gephardt.

"I have made my preference clear," Candidate Gore wants us to know. "My first choice for reducing the deficit is economic growth."

Not very helpful? Well, neither is Candidate Simon. "This country needs leadership unafraid to make the tough choices to balance our budget," he says. "The best path to deficit reduction is job creation."

Still wandering in the wilderness, looking for an exit from America's current world of trade imbalances, record deficits, market crashes, and moribund industry? Disgruntled with unfair taxes, inept schools, and greedy interest groups? Ready to get down to business? "I'm a tree-shaker," offers Candidate Jackson, "not a jam maker."

What we need is a candidate shaker. Left to themselves, the Democrats have shown little inclination to take on the issues that count and talk about them in ways that matter. All support "economic growth," but few are specific on how to get it. All support "competitiveness," but few are talking about how to make short-sighted managers and stubborn unions do anything about it.

This year, as in every election year, the press has bemoaned the lack of issues. "There are few cutting issues or themes or ideologies for the candidates," wrote *Time* in a typical lament, urging the candidates to "offer the voters themes and ideas rather than merely their personalities...the real trick is having something to say."

But it takes two to have a superficial relationship. The press must bear much of the responsibility for the lack of useful information coming our way. Too many reporters see the campaign as a phenomenon in itself, set apart from the issues of governance it will determine. We learn more than most of us would ever care to know

Phillip Keisling is a contributing editor of The Washington Monthly. *David Nather, Michael Willrich, and Jonathan Frankel provided research assistance for this article.*

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about staff rivalry and power struggles, weekly polls and fundraising strategies, Iowa county politics and New Hampshire weather. When *The Wall Street Journal* devoted a 32-page special section to Politics '88, it reserved one page for issues coverage, which it sandwiched between stories about campaign advance work and speculation about who might emerge as key convention powerbrokers. Yet, the caucusing of Michigan Republicans—so arcane that neither the candidates, the columnists, nor the caucusers could explain what was at stake—spilled out in 50-inch take-outs in the nation's top papers. Gary Hart's return to the campaign is likely to exacerbate the press's taste for the superficial.

Calvin Trillin captured the shallowness of so much of the coverage in a recent interview with *The Christian Science Monitor*. "Probably 80 to 90 percent [of the coverage] is devoted to who is likely to win the election—something *everybody's going to know the night of the election,*" he mused. "What if they were *right?* I mean it doesn't make any difference."

When reporters do focus on the issues, too often they let the candidate set the agenda. Reporters that feel ever-capable of writing "analysis" pieces to depict mood, momentum, and other vague elements of campaign "advantage," are willing to serve as mere scribes at issue sessions. "Dukakis: Defense Spending about Right," read the headline of a recent piece by *The Washington Post's* David Broder, one of the country's best political reporters. The piece went on to offer Dukakis's defense laundry list: halt the MX and Midgetman missiles, cut back the Strategic Defense Initiative, and keep the Stealth bomber. That's fine, as far as it goes. But like so many politicians, Dukakis—and the story—ignored many of the forces that really jack up the Pentagon's budget, like the over $100 billion spent on military pay and retirement benefits, and the bedrock assumptions behind keeping 2.1 million active duty troops in uniform.

Ironically, this year's campaign coverage is already considered more scrutinizing than ever. Reporters are willing to hide in the bushes to plumb further the nuances of the "character" of the man whose finger may be on the button. No details of dress seem too small or relationships too private to escape our attention.

Sure, we want to know about a candidate's temperament, humor, judgment, and poise under stress. We want to know about his life's experiences. Jesse Jackson's childhood does shed light upon his prospective presidency, as does Albert Gore's service in Vietnam, or Paul Simon's fight against corruption in the state legislature. Not even the most zealous issue-monger would suggest that a candidate's suitability for the presidency can be gleaned from a stack of policy papers alone.

But the distinction usually drawn between issues and character is a false one. Where a candidate stands on the issues is one of the best character tests of all. Is he courageous enough to say what the facts demand? Smart enough to understand the implications? Does wisdom guide his words, or expediency? While too many reporters search bedrooms and war records for clues to that evanescent quality called character, the issues get pushed aside.

What follows are the profiles the other magazines and newspapers aren't giving you. Look hard. You won't find a word about Paul Simon's bow tie or Al Gore's wife. What you will find are six issues that test the Democratic candidates' suitability to govern: Tax the wealthy; Cut the sticker prices; Let the talented teach; Get serious about the deficit; Serve the community; and Unentitle the unneedy (and really help the poor). They cover a lot of American terrain—from ghetto schools to military bases, from hospitals to factory floors. But they also bring to light the single most troubling and intractable dilemma we face: the politics of selfishness. More than that, they point the way out.

There are other positions that *any* Democratic nominee should embrace. These include (to name just a few) specific commitments to revitalize the Environmental Protection Agency, raise the minimum wage, deny military aid to the Nicaraguan contras, and reduce the Pentagon's interservice rivalries, as well as seek progress on perennial concerns like nuclear arms control. A good president would tackle these issues; a great one needs to go further.

That's why there is no grading on a curve here. Any one of the six democrats would give us policies better than those of Ronald Reagan. Judged against the likes of Jack Kemp, George Bush, Pat Robertson, and the rest of the GOP field, most of the Democrats would earn As and Bs.

But this test is confined to Democrats, and it expects more than mere adequacy. That is why most of the candidates do poorly. What's missing is leadership that promises much but *also* asks Americans to do their part.

Glance through the piece you'll see a consistent exception to the waffling and the fudging:

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Bruce Babbitt. On education, entitlements, the economy, and taxes, Babbitt has been on the mark, leveling with us about the hard choices immediately ahead. But he's no doom-and-gloom Democrat. If enacted, Babbitt's plans for broader labor-management cooperation, expanded government assistance for the needy, and stronger classrooms could give the country what it needs: programs that are affordable, compassionate—and that work.

The political experts and the conventional press will point out the obvious and tell us that Babbitt isn't selling. But if you believe that it will take more than a Mondale with charisma for the Democrats to improve their sorry record—16 of the last 20 years out of the White House—read on. Let others cover the horse race. Here's the beef.

Tax the wealthy

Just as lobbyists for the Tobacco Institute still insist that cigarettes don't cause cancer, Ronald Reagan, Jack Kemp, and the editors of *The Wall Street Journal* still insist that tax cuts for the wealthy will heal the economy, produce more revenue, and reduce deficits. Most of us long ago recognized the truth. Smoking kills—and supply-side economics is a crock.

Since 1979, the national debt has tripled to more than $2 trillion, while business investment and savings have dropped. Growth has averaged just 2.1 percent, anemic by historical standards, and has been fueled largely by VISA cards and deficits—classic "demand-side" economics.

In chasing the mirage of easy prosperity through lower taxes, the nation lost sight of the single most important principle of taxation: the costs of government should be apportioned according to the ability to pay. Between 1977 and 1984, the top 10 percent of the nation's taxpayers increased their share of the nation's income by about 12 percent. But their share of the nation's tax burden dropped by about 11 percent. A major reason for this is that the marginal rates in the top bracket were cut from 70 percent in 1980 to 50 percent under Reagan's 1981 tax cut act, and then to 28 percent under the Tax Reform Act of 1986.

The Democrats must share the blame. Yes, the 1986 act was a remarkably welcome development; tax rates were lowered for almost everyone, primarily by closing loopholes for the rich and raising the corporate income tax. But the act still treated the affluent too tenderly. Its main architect, Senator Bill Bradley, fought efforts to add a third, higher tax bracket for the well-to-do. By retaining the top bracket of 38.5 percent that's currently in the tax code and due to expire, a Democratic president could increase progressivity and raise about $22 billion. While it's not the answer to our deficit woes, a third bracket would reaffirm the important principle of demanding a fair share of the rich. That bracket would affect fewer than 2 percent of all taxpayers; a family of four would have to earn $115,000 to qualify. Even Senator Jay Rockefeller looks kindly on this idea, however unpopular it might make him at the next family reunion.

There are other ways to boost the progressivity of the code. Half the Social Security benefits of the wealthy are tax free, as are all Medicare benefits. (See "Unentitle the Unneedy.") The Lifestyles of the Rich and Famous are now subsidized with unlimited deductibility for the mortgage interest they pay on their mansions *and* vacation homes. While one in six Americans has no health insurance, the tax code allows the wealthy to deduct completely the cost of even the most generous health insurance policies, like those that pay for plastic surgery.

It's true that Democrats have sometimes acted as if their only job was to divide the wealth, assuming its creation would take care of itself. Supply-side economics was, in part, an understandable reaction to that mentality. But the pendulum has swung too far. What better time for the Democrats to reembrace the principle of progressive taxation than when the government so desperately needs the money?

►**Simon**: Simon was one of just three senators who cast a vote against tax reform and he portrays his opposition as a profile in courage. Simon said he opposed the bill largely because it reduced the marginal tax rate for the rich to 28 percent.

While Simon was right to fight for a higher bracket, he was wrong to oppose the final bill. On balance, it was a vast improvement over the old code, especially in its treatment of the poor, six million of whom were completely removed from the tax rolls by increasing the personal exemption.

Simon's posturing is doubly hypocritical since he opposes current efforts to retain the higher bracket, making homey references to living by the deal that's been struck. It's an odd argument coming from someone who didn't support it in the first place. This duplicity doesn't wash, especially coming from a candidate who has pro-

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posed a balanced budget amendment, not offered to cut a single major domestic program, and proposed a number of new government spending programs, including an $8 billion jobs program. (See "Get serious about the deficit.")

Grade: **F**

►**Jackson**: Alone among the field, Jackson unabashedly favors the higher tax bracket. He'd also caulk other tax loopholes by limiting deductions for business meals and entertainment and raising federal taxes on estates. (The last decade has seen a drastic reduction in federal inheritance taxes.) Jackson often cites the 1981 act as a major cause of our current economic plight, and he's exactly right. The only clunker in Jackson's tax program is the occasional noise he's made about an oil import fee (see Gephardt below). That's regrettable, but his call for a tax-the-wealthy bracket earns him our highest rating.

Grade: **A**

►**Gore**: When an amendment was offered to the 1986 tax reform bill to make the 38.5 percent bracket a permanent part of the new code, Gore voted "aye." That's to his credit. Disappointingly, like Simon, he now opposes efforts to make the bracket permanent, arguing what's done is done. In a recent speech, Gore said that *if* taxes needed to be raised, he'd increase them on inherited stock ($5 billion), impose a "luxury tax" on items costing more than $30,000 ($1 billion), and prevent corporate taxes from dropping further ($10 billion). Not bad, but relatively tame stuff.

Grade: **C**

►**Gephardt**: Gephardt joined Bill Bradley in sponsoring the Bradley-Gephardt tax reform act of 1986, and he deserves some credit for championing the cause back in the days when it seemed doomed. But Gephardt, who also supported Reagan's 1981 tax cuts, opposed efforts to add a higher tax bracket for the rich. He still does, though he supports a $12 billion loophole-closing bill now before Congress.

Gephardt's major tax proposal is a bad idea: a $5 per barrel "oil import fee." This would hurt most those with the least income, since the poor pay higher portions of their income on necessities like gasoline and heating oil. Such a tax would most likely cause domestic oil producers to raise their own prices to just below the new foreign price, boosting oil company profits but hurting the poor even more.

This "get tough" proposal also makes Gephardt look like a hypocrite. He's made a point of attacking other countries for erecting trade barriers to foreign imports—which is exactly what an oil import fee looks like if you happen to be a Mexican or Nigerian oil worker.

Grade: **C**

►**Dukakis**: Dukakis doesn't support a 38.5 percent bracket or any other major change in the code. Instead he'd hire more IRS auditors to chase uncollected revenues. But his estimated haul of $110 billion is vastly inflated. (See "Get serious about the deficit.") It's a dishonest approach.

It's also one that would put expediency ahead of fairness. A major element of Dukakis's collection plan is a one-time "tax amnesty" that would allow tax cheats to pay up and avoid any penalty. But why not just boost enforcement and continue to punish the cheaters? Most of those seeking amnesty would not be middle-class suburbanites who forgot to report their garage sale receipts but affluent scofflaws who cynically sought bogus tax shelters.

Grade: **F**

►**Babbitt**: While governor of Arizona, Babbitt was an early supporter of tax reform. When most of his fellow governors were carping that Reagan's "Treasury I" proposal of December 1984 eliminated the deductibility of state and local taxes, Babbitt was cheering, seeing the plan's virtue as a whole. To his further credit, he called for an additional tax bracket for the wealthy.

Babbitt is no longer advocating the third bracket he once supported. But he has made some amends by proposing to limit deductions of mortgage interest to one home and enact a "mansion cap." He's also called for limiting the deductibility of certain employee benefits, such as "Cadillac" health insurance plans, and redirecting the savings to health care for needy senior citizens, children, and indigents.

Babbitt's most ambitious tax proposal is a phased-in, 5 percent "consumption tax," to reduce the deficit. (See "Get serious about the deficit.") It's not as bad as it sounds. The tax would exempt basic necessities such as food, shelter, utilities, and medicine. It wouldn't be as progressive as a higher bracket, but it wouldn't be regressive either. And by making items more costly, it would curb appetites and encourage savings, which supply-side economics was supposed to do.

Grade: **B**

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Let the talented teach

For too long liberals have treated the public schools as conservatives have treated the Pentagon: there was no problem that couldn't be solved by spending more money. But weapons that look fine on paper only to fail on the battlefield have their counterpart in schools that are producing millions of semi-literate students.

With half of the country's teachers expected to leave or retire in the next seven years, Democrats have an opportunity to stress a reform that will really count: better teaching. One of the unhappiest facts about public education is that most would-be education majors come from the bottom ranks of the college-bound, with average combined SAT scores of only 850. Some will make fine teachers, but many won't.

To promote better teaching, we need to draw more talented people into our classrooms and reward outstanding performance once they get there. Better pay alone won't do it. The nation's many outstanding teachers *are* badly underpaid, especially in comparison to those in other, less worthy pursuits. But if every teacher's salary were doubled overnight, the bad teachers would get just as much as the good ones.

The National Education Association prefers it that way. Its official position is that basing pay on performance "undermines morale" by suggesting that "some teachers may be more equal than others." But some teachers *are* much better than others. And they're often the first to leave.

"Merit pay" plans that would simply give the best teachers more money aren't making any political headway. "Career ladders" that give the best teachers both additional pay and additional responsibility offer a more promising approach. Rochester, New York, for example, recently established a four-step ladder that culminates in "lead teachers" who can earn up to $70,000 a year. Significantly, that contract was negotiated by the NEA's rival union, the American Federation of Teachers.

The Democrats should also confront the mindless credentialism that discourages many talented people from teaching. Almost every state requires prospective teachers to suffer a full regimen of often pointless education courses. *U.S. News and World Report* recently described a prosecutor in California who decided he could better help juvenile delinquents by becoming a teacher—only to discover he couldn't even get an interview without having taken the education courses.

Drawings by R.J. Matson

Jackson's silence on national service is disappointing. It could bring lots of help into the inner city and provide an avenue for many youth to get out.

The NEA and education school deans argue that "alternate certification" will allow incompetents into the classroom (as if many aren't there already, fully credentialed). This is a classic case of confusing real standards and phony ones, as shown by the thousands of talented and uncredentialed teachers in private and parochial schools, not to mention colleges. Good teaching requires a combination of knowledge, enthusiasm, and a gift for communicating with students. If a teacher can demonstrate those skills through a performance test and an apprenticeship (as in New Jersey), who cares about education courses like "Administering Leisure Delivery Systems"?

While states and localities govern pay and certification, the next president should use his office as a bully pulpit to advocate such reforms. In addition, he should use more of the $15 billion

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On health care, Gore mostly focuses on worthy but safe ideas that do not address larger questions. It's classic Gore—good policy, but limited to tinkering.

federal education budget to reward performance. Unfortunately, a recent Democrats' debate in North Carolina was long on cliches like "investing in the future" and short on real ideas. None of the candidates acknowledged even the basic differences between the NEA and the AFT and several fell over themselves with promises to fire Education Secretary William Bennett, a silly gesture since a cabinet sweep is taken for granted.

►**Simon**: In 1982, a year before the presidential commission report *A Nation at Risk* put education reform on the political radar screen, then-Rep. Paul Simon was holding hearings on the low quality of prospective teachers. A year later, he chaired a special House task force that urged local school districts to experiment with merit pay and career ladders.

During the Carolina debate, Simon declared that "really outstanding teachers have to be given more money." He also urged higher base pay, higher standards, and more teacher autonomy. It's a fair trade, as long as the package stays intact.

Unfortunately, Simon isn't advocating alternative certification. And while his campaign materials boast that "Simon has done more for education than any other candidate," the proof he offers shows a disquieting logic: "His lifetime NEA rating is 88 percent, higher than any other contender."

Grade: **C**

►**Jackson**: During the 1984 campaign, Jackson admirably criticized bad schools as tools of class oppression that doom students to poverty. His call for higher standards and expectations came just as the educational reform movement was gathering steam.

That's why it's so disappointing that Jackson's 1988 campaign seems conspicuously devoid of such talk. More and more he sounds like a conventional, and outdated, liberal. In one major speech on education, Jackson did little more than criticize Reagan for cutting the education budget. He has pledged to increase the department's funding from $15 billion to $25 billion (by cutting defense—no surprise), but he has said little about how to spend it. Nor is Jackson challenging the education establishment on alternative certification.

When the question of performance pay arose in North Carolina, Jackson was the only candidate to flatly oppose it, arguing it would be too "political." Instead, he favors "combat pay" for those teaching in certain inner-city schools. Jackson's partly right: we should reward *good* inner-city teachers. But his pay hikes would go to everyone, including teachers guilty of educational malpractice. On the whole Jackson has regressed. He once knew better.

Grade: **D**

►**Gore:** On issues like performance pay, Gore says the federal government should be "neutral"—and Gore has been too. During the Carolina debate, Gore stuck to safe and vague ground, confining his agenda to uncontroversial (though pricey) proposals like a longer school year, another "spend more" approach. He had nothing to say about alternative certification. Gore also promised to replace Bennett with a "working teacher" as secretary of education. It's an interesting thought, but one prompted more

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for political effect than by serious thought about how to improve education. Gore singled out better schools for more federal spending; that's all the more reason to be specific on how to translate dollars into results.

Grade: **D**

►**Gephardt**: Education sends Gephardt's propensity for vapid rhetoric into overdrive. He pledges to "end illiteracy by 2000" and "have the best-educated people in the world by 2000." But when the question arose in North Carolina about rewarding teacher performance, Gephardt weasled out with a call for "more research." As for alternate certification, all a Gephardt education aide will say is "it's worth a look."

To his credit, Gephardt wants to redirect an unspecified portion of federal aid to reward schools that set goals and demonstrate real educational progress. He hasn't given any details, however.

Grade: **D**

►**Dukakis**: Most of Dukakis's prescriptions come down to spending more money, including $250 million to improve teaching. At the North Carolina debate, Dukakis offered this admittedly worthy proposal in response to a question about what he'd do if he *couldn't* spend more money. He kept his silence when the question of "pay for performance" came up. And back home in Massachusetts, he's kept his distance from proposals to create "career ladders," which the NEA affiliate opposes.

He's a little better on alternate certification; a new state program opens the door a crack to the noncredentialed. But would-be teachers still have to jump through so many hoops (for example, a review board that includes teachers and education school representatives) that only a few people are likely to try.

Dukakis does support one innovative proposal to offer parental choice between one *public* school and another. This "public sector voucher" plan is designed to promote competition and greater accountability.

Grade: **C**

►**Babbitt**: Babbitt is the only Democratic candidate who actually has pushed through a substantial package of educational reforms. What's more, he did it against considerable odds, facing a stingy Republican legislature and a state NEA affiliate that initially opposed much of his plan.

In North Carolina, when Gephardt lamely called for "more research" on pay for performance, Babbitt challenged him directly. "What we need," he said, "is the guts and the creativity to say we're going to pay the best teachers more, and teachers will accept it if we involve them in the process." Babbitt did just that in Arizona, working with teacher leaders until they hammered out a package that included both a career ladder and a tax increase to raise teacher salaries overall. Another portion of the package allowed non-education majors into the classroom under the supervision of master teachers.

Grade: **A**

Cut the sticker prices

In 1980, the United States had a $17 billion trade surplus. Today, we're running a trade deficit of approximately $175 billion. This comes despite some good luck, like the collapse of OPEC (which spared us having to send billions of dollars to a few sheiks) and, more recently, the cheaper dollar (which has made Hondas and other imports more expensive while making Chevys and other U.S. exports easier to sell). For the tide to turn, the next president needs to show savvy both in tackling trade barriers abroad and in getting American industry to increase productivity so its products become more competitive in world markets.

There *are* ridiculous trade barriers to be knocked down. Japan, for instance, flatly prohibits the importation of rice, even though American rice is far cheaper. This is protectionism, pure and simple. But we've got our own examples. U.S. sugar beet farmers enjoy subsidies and Mr. T-sized barriers against imported sugar while American consumers get gouged. It's both hypocritical and self-defeating to pressure foreign competitors to play "fair," if management and labor here at home won't work together to produce better, less expensive products.

What kind of reform do we need? Thirty years ago, Walter Reuther, head of the United Auto Workers, offered to moderate wage demands if automakers held the line on prices. This would be a "win-win" strategy for both sides, Reuther reasoned, since it would mean fewer imports, more domestic car sales, and therefore more autoworkers. The automakers ignored Reuther's advice in the 1950s. Management is still ignoring it—and now labor is, too.

Since foreign auto imports account for one-third of the current U.S. trade deficit, the auto

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industry's example is sadly instructive. In 1981, auto executives and UAW officials convinced Reagan and the Democrats to impose "temporary" quotas on auto imports so Detroit could regain its competitive edge. This added about $1,500 to the sticker price Americans paid for cars, foreign and domestic.

The "temporary" quotas are still in effect seven years later. True, Detroit is turning out fewer lemons, and recent contracts have eliminated some unproductive work rules. But car prices have risen much faster than inflation; the average car buyer now pays nearly 80 percent more for a new car than he did in 1980. Fancier cars account for some of that, but mostly, it's simple price-gouging.

This is especially galling given that Lee Iacocca, Chrysler's chairman, likes to lecture Americans about getting tough and making sacrifices to reduce the deficit. Iacocca took home $1.8 million in pay last year and cashed in $20 million in stock options that would have been relatively worthless without the import quotas and the Chrysler bailout.

Perhaps worst of all, U.S. market share for domestic automakers has actually dropped. Yet Detroit is at it again. Ford and Chrysler are both proposing even tougher import limits, and sadly enough, the UAW is going along.

To be sure, a lot of companies and their unions have begun to confront reality, trimming executive salaries and jettisoning unwieldy union work rules that undercut productivity. But much more needs to be done.

Democrats should be unsparing in criticizing management excesses, like handing out golden parachutes even as executives let their companies plunge into a nosedive. But the real challenge for the next Democratic president is to convince the party's traditional allies in labor to take the lead. Imagine the goodwill (not to mention astonishment) that the UAW would foster in American consumers if tomorrow it announced a new plan: lower pay hikes, increased worker ownership, and a 10 percent cut in sticker prices to meet the challenge of foreign competitors.

►**Simon**: Simon's protectionist instincts run deep. In 1984, he supported domestic content legislation requiring a large part of *every* automobile to be manufactured in the United States. *Sayonara*, Toyota! Since then, Simon has also voted for heftier barriers on imported steel, textiles, and farm goods, and he brags at AFL-CIO conventions of sponsoring "the Senate's toughest trade bill."

Simon's credibility with labor (he boasts of having the pack's highest AFL-CIO rating) makes him a logical candidate to refurbish the Reuther legacy of shared sacrifice for lower prices. This is one history lesson in which the scholarly Simon has little interest. He told the AFL-CIO, "We must be careful that the rhetoric of competitiveness doesn't become a code word for wage freezes, concessionary contracts, and other anti-worker policies." But a wage freeze is not "antiworker" if it can save a factory. Simon ought to know better; he just needs to look at the empty factories dotting the Midwest landscape that once provided livelihoods for hundreds of thousands of workers at U.S. Steel, Caterpillar, American Motors, and other companies.

Grade: **D**

►**Jackson**: Jesse Jackson's trade enemy isn't Japanese competition or low American productivity—it's an easier target, the multinational corporation. Jackson charges American firms like General Electric with relocating abroad to exploit low-paid foreign workers whose cheap goods flood the market and displace American laborers. And sometimes they do. But international trade is more complicated than that. What if GE produces parts in Taiwan so that its assembly plant in the United States can cut costs and stay open rather than succumb to competition from Japanese or Korean firms?

Jackson's approach to trade is not only hyperbolic, it's confused. Last summer *The Wall Street Journal* reported that he favored the Gephardt amendment; now he says he's opposed to it. Like Gephardt, he says he wants legislation punishing "unfair labor practices" by restricting the importation of goods produced by workers he considers exploited. But he also wants to help the Third World countries generate the hard currency they need to repay their debts. Aren't the two goals at odds? "Those are the kind of questions that would have to be worked out in negotiations," says Frank Watkins, Jackson's political director. Good luck.

Jackson's impulses are worthy but unworkable. How is Congress—or anybody—going to decide whether a $2.50-a-day wage for Filipino workers, or mandatory Saturday overtime in Taiwan, is unfair? The U.S. can't even stop its allies from throwing political dissidents in jail, much less pressure them to double wages. By providing for easy restrictions on imported goods, the proposal would allow a protectionist Congress to erect

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trade barriers as bad as those of the Smoot-Hawley Act that helped bring on the Depression.

To listen to Jackson, you would think none of our competitiveness problems are our own fault. This is ironic. When he works for Operation PUSH, Jackson emphasizes self-help. ("No one can help you, but you!") As a presidential candidate he encourages feelings of helplessness in farmers and blue-collar workers. At times as eloquent as William Jennings Bryan, Jackson offers a similar message: it's someone else's fault.

Grade: **F**

►**Gore**: Gore at least has the rhetoric right: "We must be as quick to make Japan and newly industrialized countries open their markets as we are to denounce protectionism of our own.... Ultimately, we must recognize that our trading troubles started here, and that in the end they must be solved here."

But in practice, this could mean anything from laissez-faire to outlawing Peugeots. Gore harshly criticizes protectionist legislation, but says he would support import barriers in the case of "overwhelming unfairness" or a threat to "destroy a U.S. industry." Yet just about every industry that seeks protection complains of foreign perfidy and hints darkly of imminent demise. As a senator, Gore has applied that criterion broadly, voting to protect the textile industry (which has relatively low-paid workers by union standards) and the steel industry, which got into its predicament largely because of labor and management greed.

On labor-management relations, Gore also talks a good game. For example, he praises GM's new Saturn plant in Tennessee for its innovative labor contract that gives workers long-term job security in return for their agreeing to more flexible work rules and pay that's tied to productivity. But would he tell the auto industry that it could no longer rely on import quotas under a Gore presidency? So far, he hasn't said.

Grade: **C**

►**Gephardt**: People love to hate the Gephardt amendment and they should. But let's be fair. Gephardt is being savaged in part because he's committed his thoughts to specific legislative language, while most of the candidates are talking so vaguely they can play up to both sides. It's also important to recognize that the amendment is more of a negotiating tool than a wrecking ball. It says that if a trade practice is "unfair," the president must negotiate. If that fails, he *could* impose a tariff—and Congress would be free to lift it. Gephardt, like Jackson, also wants legislation forcing other countries to adopt "a standard of internationally recognized worker rights."

Gephardt's speeches on the budget deficit constantly allude to "tough choices" and just as constantly avoid them.

These "Say Uncle" bills would be more palatable if they were accompanied by some honest talk about what needs to be done at home. Even Gephardt has conceded that only 15 percent of our trade woes stem from unfair foreign competition. But when asked whether his candidate has criticized a single American industry for its own brand of protectionism, campaign spokesman Mark Johnson demurred, saying Gephardt "doesn't go down to the micro level with specific industries." Instead, Gephardt peddles a painless path to prosperity, advocating bromides like more federal money for education, development, and worker retraining. This is policy popcorn—tasty but not anywhere as

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nourishing as telling the auto industry to cut sticker prices or kiss their quotas goodbye.

Voters could take little comfort from the recent Gephardt news conference called to advertise the support of the auto industry's labor and management officials, who consider him on the bandwagon for stricter import quotas. Smiling at the cameras as he handed Gephardt a $1,000 check was none other than Lee Iacocca.

Grade: **D**

►**Dukakis**: Dukakis is dubbed the strongest "free trader" in the field, though it's hard to tell whether this label is attributable to shots at Gephardt or aphorisms like "I'm someone who believes more trade is better than less trade." For the most beleaguered industries, Dukakis does favor limited protections for limited periods. It's to his credit that Dukakis likes to tell the story of the Harley-Davidson company, which used temporary protection from imported motorcycles to reinvest in new equipment and substantially improve the quality of its products. The company then urged Washington to lift the barriers. No more open-ended import quotas, he promises, though he won't pledge to let such quotas expire as the one now in effect for steel is scheduled to in 1989.

On labor-management arrangements, Dukakis deserves credit as Massachusetts governor for encouraging business and labor to work together to prevent plant closures. But Dukakis has not been calling for the price cuts in the auto industry that might have prevented the recent shutdown of a GM plant in Framingham that employed more than 3,000 workers.

Grade: **C**

►**Babbitt**: Babbitt would try to secure an international agreement requiring each industrialized country to maintain an overall balance of trade. We could run a deficit to Taiwan or a surplus with Sweden, so long as our overall accounts balanced out. Countries whose accounts didn't balance within 10 percent would face a tariff of up to 33 percent—which would be much tougher on export-obsessed Japan than anything Gephardt has proposed. Because they need big surpluses to pay off Citibank, Third World countries wouldn't have to balance their accounts.

If it worked, the plan would open markets around the world. The problem is that it might flounder. Does Indonesia have to balance its accounts? Is Morocco exempted? Who decides? Canada's huge trade surplus with the United States would pose a particular challenge, since many "Canadian exporters" are actually subsidiaries of U.S. corporations.

While Babbitt's "multilateral" trade policy is chancy, his call for cooperation in the workplace holds great promise. He calls on labor and management to improve their market share by forgoing pay raises and accepting more flexible work rules. He "vigorously opposes" any tightening of existing auto import quotas and would work to get rid of them. Babbitt is less shy than his rivals in singling out American labor for specific criticism. He recently criticized unions for work rules that punish productive workers who make others look bad. He also has the most specific ideas for allowing labor to take a leadership role. He has made "workplace democracy" a staple of his campaign, proposing, for example, to overhaul the 40-year-old Wagner act, which court decisions have spun into a productivity nightmare; as interpreted, the act encourages unions to push grievances to the hilt and lets management say "no dice" to workers who want to bargain for an ownership stake in their company. Most important, Babbitt calls for having two-thirds of all workers participate in some kind of employee ownership by 1996. (He'd do it by allowing tax breaks for those who invest in their own companies.) His reasoning is exactly right: if giving workers a real stake in the success—and failure—of their factories doesn't help make American industries more competitive, nothing will.

Grade: **B**

Unentitle the unneedy (and really help the poor)

Last year, the government distributed $525 billion in benefit payments. But less than $100 billion was allocated on the basis of need. More than $400 billion went to "entitlement" programs, the largest being Social Security, Medicare, military retirement, and civil service retirement.

The role of Social Security and Medicare in reducing poverty among the elderly is a great American success story. Forty years ago, one of every three senior citizens lived in poverty; today, that figure has shrunk to one in 20, counting the value of all government benefits. But this very success now raises fundamental questions of fairness. Under Social Security and Medicare, the retired board chairman is entitled to as much as, if not more than, the impoverished widow. This

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is a perversion of principle: help should go to those who need it.

Retirees often argue that they've paid for these benefits. But today's Social Security recipients get an average of three to four times what they contributed, *after* interest. Similar largesse exists for civil service retirees, and Medicare benefits are even more generous. For the military, the government pays 100 percent of the pension, which the average retiree begins collecting at age 41 *and* contributes to Social Security benefits that will become available when the retiree turns 62. The icing on this cake is that Congress usually votes full cost of living adjustments (COLAs) for all these pensioners.

This isn't just unfair, it's bleeding us dry. Though payroll taxes continue to rise, the Social Security system still faces certain bankruptcy in the next century when today's Baby Boomers retire. Medicare will likely be bankrupt before this century's end.

The best answer is "means testing," limiting benefits to those who need them. Under the purest means test, the affluent Sun City resident would collect nothing. The next best thing would be to include everyone, but apportion benefits and contributions in a way that reflects need and ability to pay. For example, *all* Social Security benefits should be *fully* taxable. (Current law taxes half the benefits of single people making more than $25,000, and married people earning more than $32,000.)

This wouldn't hurt the poor (with a progressive income tax), since those who most need the benefits will pay little or no tax on them. Medicare should be similarly means tested by taxing the value of the government's subsidy. COLAs for civil service and military retirees also should be tied to some standard of need.

As we cut payments to those who don't need them, we should redirect the money to those who do. Among the most needy are children, who are now six times more likely to live in poverty than the elderly. The simplest way for the government to help the poor is through a negative income tax. This familiar proposal from the early 1970s would provide direct payments to those who fall below a given income. It would allow the government to combine into a single program more than 50 means-tested programs, including Aid to Families with Dependent Children (AFDC), Medicaid, food stamps, housing subsidies, school lunches, and certain veterans benefits.

This approach would also facilitate another needed reform: making government assistance based on actual need, and not the accidents of geography. Alabama, for example, bars a mother with two children who earns only $1,764 a year from collecting AFDC and Medicaid. California, one of the most generous states, lets the same woman earn up to $9,049 and still qualify for AFDC. Even then, the California family is below the poverty level.

Dukakis's answer to welfare reform is Massachusetts's E.T. program. But there's less here than meets the eye. Critics are right when they say Dukakis is hyping the program.

But welfare reform shouldn't be a one-way street. A universal program against need should also have a work requirement for able-bodied recipients with children above a certain age. If AFDC recipients can't find jobs in the private sector, and many can't, the government should provide them. This is exactly what FDR did by creating the WPA to replace welfare programs that simply wrote checks.

There's one service *all* Americans should be entitled to, rich and poor, and that's health care.

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Just as it took Nixon to go to China, it might take a liberal Democrat to change Social Security. Unfortunately, Simon shows no interest in playing the role.

The ideal solution isn't national health insurance, but something even more radical: a national health service whose doctors work directly for the government and provide care for free. Short of this revolutionary change there's room for improvement, like the creation of a "Medicare Part-C" to provide coverage for long-term care. The prospect of a bankruptcy-inducing stay in a nursing home terrifies the elderly. Their concern provides a political opportunity for fundamental reforms in government assistance programs that would benefit all generations. The elderly could be offered full protection against the catastrophic expenses of nursing home care, but in exchange they should agree to pay increased premiums and taxes on benefits, based on income.

►**Simon**: Interviewed for this story, a Simon aide mused, "Just as it took Nixon to go to China, it might take a liberal Democrat to change Social Security." Unfortunately, Simon shows no interest in playing the role.

He strongly opposes all means tests, even the full taxation of benefits for the wealthy. He has a good idea in extending Medicare to cover long-term care at home, at a cost of about $7 billion a year. Simon plans to pay for it by eliminating the $45,000 cap on Medicare payroll taxes. But poor workers would still pay unfair payroll taxes—and with no means test, greater benefits would be given free to millionaire retirees. Simon's aversion to means testing becomes even more unsettling with his promise to unveil an ambitious plan to provide full nursing home coverage at a cost of up to $100 billion a year. Workers beware: this would probably mean drastically higher payroll taxes for everyone.

On welfare, Simon is in general agreement with the consensus Democratic position, as shown in his co-sponsorship of a bill by Senator Daniel Patrick Moynihan. The bill is a policy pussycat. Current law already requires welfare recipients to look for work if their children are six or older; the main thrust of the Moynihan bill is to extend the requirement to those with younger children. It also provides very modest amounts of money for more training and day care and boosts efforts to collect delinquent child support payments. Fine ideas, but hardly revolutionary. Recipients will get off the welfare rolls only if they can find a private employer to give them a job.

Simon has gone his liberal compatriots one step further by proposing the revival of a WPA-like federal jobs program. It's a very good idea. But Simon pulls his punch by not requiring welfare recipients to work. He'd leave it up to the states to decide.

Simon supports a bill by Senator Edward Kennedy requiring most employers to provide their workers with health insurance. Critics charge the measure would hurt small businesses, which provide the bulk of employment. But if *all* businesses shared the requirement, none would be hurt more than their competitors. Unfortunately, Simon has not outlined a plan to provide health care for those without jobs.

Grade: **D**

►**Jackson**: "To reduce the universality for anyone is to weaken political support for everyone," said Jackson in a recent speech that attacked means testing so vigorously that he suggested those who proposed it weren't even Democrats.

There are several ironies here. First, Jackson's

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reasoning suggests that to help the needy, the rest of us must be bribed with undeserved entitlements. But if Reagan's cuts in aid to the needy offend most Americans, as Jackson suggests, why do we need the bribes? Second, money saved through means testing could be redirected to the needy women, children, and elderly he claims to represent.

Jackson deserves some credit for talking openly about the role of values and personal responsibility in perpetuating welfare dependency. "It doesn't take a man to make a baby," he tells teenagers, "but it does take a man to raise one." While Jackson's self-help invocations suggest he recognizes the need to strengthen the work ethic, he opposes efforts to do so by requiring welfare recipients to work. (That's "punitive," a spokesman said.) He deflects questions on welfare reform by talking of the need for full employment, which is only part of the story.

On health care, Jackson has advocated a "Universal and Comprehensive National Health Care System." But, as an aide acknowledges, "he hasn't gotten too specific."

Grade: **D**

►**Gore**: "There is a myth among many who receive Medicare that their benefits are merely a payback of the money taken out of their paycheck each month," said Candidate Gore in a New Hampshire speech. "You and I know better than that." He may know better, but his stances don't reflect it. He opposes means testing for Social Security and Medicare, arguing that this would "encourage the perception that the program's primary purpose is to serve as another form of welfare."

On welfare reform, Gore has endorsed Moynihan's bill. On health care, it's to his credit that Gore's sometimes willing to anger groups like the American Medical Association. But mostly he focuses on worthy but safe ideas that do not address the larger questions of access. His congressional initiatives have included establishing a national registry to identify bad doctors, providing Medicaid reimbursement for nurse-midwives who deliver babies, and strengthening regulations that govern organ transplants. For those who want to save money for nursing home care, Gore has proposed a "long-term care IRA" that would guarantee a 2 percent return after inflation. But what about those without the money or foresight? It's classic Gore—good policy, but limited to tinkering.

Grade: **D**

►**Gephardt**:

"Dick's right with Claude Pepper on Social Security and Medicare," says spokesman Mark Johnson, so much so that the Florida Democrat has endorsed his candidacy. The rest of the script should be dismayingly familiar.

Gephardt strongly opposes means testing of any kind. When Gramm-Rudman first came before the House in 1985, Gephardt worked tirelessly to keep entitlement programs off limits. The final version exempted about *70 percent* of the federal budget from automatic cuts, including all major entitlements and COLAs.

He boasts about working to expand Medicare coverage to include eyeglasses, dental work, and preventive care, and has promised to raise Social Security benefits for the disabled to the poverty level. Like Pepper and Simon, he wants to expand Medicare to cover home-based, long-term care. Gephardt also endorses the "goal" of extending Medicare to cover nursing homes but has not explained how he'd finance this costly proposition.

In December, Gephardt unveiled a plan like Kennedy's that requires employers to give their workers health insurance. Gephardt wants the rest of the uninsured to be covered through expanded Medicaid coverage. But he doesn't estimate the cost or offer a way to finance the additional Medicaid expenses. On welfare, Gephardt is in general agreement with the Moynihan bill.

Gephardt's late-breaking advocacy of universal health care coverage counts, but it pales next to his zeal in opposing significant reform in entitlements.

Grade: **D**

►**Dukakis**: Dukakis opposes any further means testing of Social Security or Medicare benefits. "That would suggest Social Security is a welfare system, not a social contract," said Chris Edley, Dukakis's issues director.

Dukakis's answer to welfare reform is Massachusetts's "E.T." (Employment and Training) program. He boasts that since the program began in 1983, welfare rolls have shrunk by 5 percent and taxpayers have saved $120 million. But there's less here than meets the eye, and critics are right when they say Dukakis is hyping the program. Any state's welfare rolls should shrink during a booming economy; the real question with Massachusetts is why they didn't shrink more. Part of the answer is that this much-vaunted solution to the nation's welfare problem is strictly voluntary. It's a great deal for those who want the job training and free day care. (It's expensive

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too: average cost per client, $3,500). But the long-term AFDC clients—the real problem—tend to stay exactly where they are now: at home.

Dukakis redeems himself somewhat with his advocacy of a Massachusetts bill that would require employers to provide their workers with insurance while the state covers the rest through the unemployment compensation system.

Dukakis would score a little higher if he didn't misrepresent E.T.

Grade: **D**

►**Babbitt**: For several years, Babbitt has advocated means testing and he did so as governor of a state famous for its well-to-do retirement communities. Last summer, he took the same message to the national convention of the American Association of Retired Persons.

Babbitt would fully tax Social Security benefits for well-to-do retirees and would make the value of government subsidies for Medicare premiums subject to the income tax. (Last year, the government paid $21 billion so that all retirees could buy health insurance at the bargain rate of $17.90 a month.) He would also freeze COLAs for military retirees until they reach 65—another unpopular notion in a state with so many double- and triple-dipping military retirees. Unfortunately, like all the other candidates, he has not advocated the means testing of COLAs for Social Security recipients and civil servants.

On long-term health care, Babbitt has proposed a $3.5 billion "respite care" Medicare supplement to help families care for the elderly at home. He promises to unveil a more ambitious plan to cover nursing home care later in the campaign, also financed on a means-tested basis.

Babbitt does not support a public works program, but he has proposed several major reforms of the welfare system in addition to those outlined in the Moynihan bill. He would move the entire Medicaid program to the federal level, with uniform eligibility standards, and require the states in exchange to devote about $20 billion in savings to improving education. He would extend Medicaid to include the eight million children who currently live in poverty, at a cost of about $4 billion a year. He also would establish a floor for each state's AFDC benefits. Babbitt has also proposed a means-tested voucher to provide day care for AFDC recipients and the working poor. Babbitt has not proposed any program yet to provide health insurance to cover the uninsured.

Babbitt hasn't gone quite as far as his own logic dictates, but he's the only candidate with the courage to take on entitlements. That alone earns him high marks.

Grade: **A**

Serve the community

The practical argument for mandatory national service is that there's work to be done. There are bridges that need repair and people who need care, young and old. There are armed forces that need staffing. The philosophical argument is just as compelling: it's healthy for our democracy. What better way to promote community than to instill in young adults the idea that society should expect a modest degree of service from its citizens?

Militarily, national service makes sense. The traditional recruiting pool of 18-year-olds will decline almost 20 percent by the mid-1990s. While today's All-Volunteer Force seems like a success, the armed forces will soon have a tougher time luring young men and women away from private industry, where they will be in increasing demand. Without dramatic pay hikes, those heading for the military will probably boast the kinds of test scores that in the late 1970s caused the Pentagon to rewrite military handbooks to sixth-grade reading levels. A draft might also help put a damper on thoughtless adventurism abroad. Our Persian Gulf policy would be facing fiercer scrutiny now if the fleet were filled with the children of prominent Washington journalists, congressmen, and White House aides.

But only one in four participants in a national service program would need to go into uniform (assuming current force levels). Here at home, others could help repair our crumbling infrastructure, provide child care for working parents, or clean up the environment. Still others could go abroad as Peace Corps volunteers. Why not steal a good idea from Fidel Castro, whose motives may be sinister, but who nonetheless has sent tens of thousands of Cuban teachers, doctors, and engineers to serve in Africa?

A full-scale national service plan would be expensive, at least initially. A conservative estimate is $30 billion a year. But over the long run, these costs would be offset substantially by savings from lower military pay and reduced social service since volunteers would be doing this work at less pay. While critics worry about an army of bored teenagers listening to Walkmans and leaning on rakes, some creative management (like withholding loans and other government benefits) can ensure that the work is both useful and

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disciplined.

Those who say that 18-year-olds should not bear sole responsibility for the service ethic are right. The rest of us should do our part as well. We could, for example, require professionals with government-sanctioned monopolies, like doctors and lawyers, to perform services for the needy in order to get their licenses renewed. Finally, think of the ripple effect the idea of national service might have in helping Americans come to grips with other difficult decisions. It might be easier to convince the elderly to make some modest sacrifices in entitlement programs if they saw several million young people not only helping them directly but serving their country in other ways too.

The mandatory nature of national service understandably makes some liberals uneasy. But its benefits outweigh its drawbacks. If citizens *had* to do some service work at one point in their lives, they'd be more likely to serve voluntarily later on. The result would be a healthier, less stratified, democracy. Because national service is expensive, the grading here is somewhat more forgiving.

►**Simon**: In 1985, Simon inserted in the *Congressional Record* an article praising Gary Hart's proposal for mandatory national service. "Before the decade is out, we will be seriously talking about a draft because of simple demographic factors," Simon predicted. "My own feeling is that if you have a draft, it ought to be universal [and] ought to be for one year with special educational benefits for those who choose the military," he said. "Those who do not choose the military would have to serve one year in a mental hospital, a park district, the Peace Corps, or in some form of public service of their choice."

Simon had the right instincts, down to giving additional benefits to those who choose the more onerous route of military service. But Simon isn't uttering a word about it now, on his travels through Iowa and New Hampshire. "He doesn't think it's necessary at this time," said David Carl, his issues director.

This is unfortunate because if anyone could sell this idea, it's Simon. Simon's campaign has gotten a lot of mileage out of his appeal for the populist wisdom of an earlier era, invoking the memory of Roosevelt and Truman. It was Roosevelt who urged a skeptical Congress to reinstate the draft a year before Pearl Harbor and Truman who urged its peacetime revival in 1948.

Grade: **B**

►**Jackson**: No other candidate could speak as eloquently as Jesse Jackson about the unfairness of economic conscription. Yet Jackson strongly opposes the draft and endorses the All-Volunteer Force (and the ever-increasing pay that's required to recruit qualified soldiers). Adolph C. Reed Jr., a black political scientist at Yale, chastised Jackson in a recent column. "Today's 'volunteer' army amounts to an economic draft," Reed wrote, "and blacks and Hispanics are disproportionately represented. . .among those called upon to pay the greatest price of adventurism."

Jackson can be eloquent in urging ghetto youth to volunteer to help each other. But his opposition to compulsory nonmilitary service is disappointing. It could bring lots of help into the inner-city and provide an avenue for many youths to get out.

Grade: **C**

►**Gore**: In 1970, Gore did what few of his Harvard classmates would do: he went to Vietnam. Though his six-month stint as an army reporter was not the stuff of *Platoon*, it does allow him to speak straight from the heart about the importance of sharing the burden of our national defense.

Gore doesn't oppose a draft outright, but he doesn't support one either. He has chided the rest of the Democratic field for failing to say where the use of American troops might be justified. But if he's going to suggest that he's more likely to use American troops, it's only fair his children should bear the same burden as everyone else's (as he once did).

Similarly, Gore does not endorse compulsory nonmilitary service, though he favors incentives. His most developed proposal promises "GI Bill-type benefits" to young people who assist the elderly in need of long-term care. His campaign staff says a more ambitious plan may follow.

Grade: **C**

►**Gephardt**: Gephardt talks a good game here. His speeches are sprinkled with appeals to "community" and the "national interest." That's why his failure to come up with a specific plan even for voluntary national service is all the more disappointing. In fact, Gephardt philosophically opposes compulsory service, including the draft.

Gephardt does favor incentives for military service, but these are already in place. "Enlistment bonuses" and "educational loans" are used to recruit men and women into the All-Volunteer Force. He's also called for a "National Literacy

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You'll see a consistent exception to the waffling and the fudging: Bruce Babbitt.

Corps," composed of elderly Americans, to eliminate illiteracy by the year 2000. That's fine as far as it goes, which isn't very far.

Grade: **C**

►**Dukakis**: Dukakis, who was drafted and served as an Army private in Korea, opposes a draft as well as compulsory national service. "The governor's a great believer in voluntarism," said Edley, the issues director. "Mandatory service would be a big intrusion in peoples' lives."

Instead, he supports incentives to encourage young men and women to enter certain careers. For example, his $250 million education program to promote better teaching would include forgivable loans to prospective teachers. Dukakis toyed with the idea of a Police Corps program in Massachusetts that would provide college scholarships to those who pledged to serve later as police officers but has dropped the notion.

Grade: **C**

►**Babbitt**: Babbitt doesn't philosophically oppose a military draft, but he doesn't think one is necessary right now. As for nonmilitary service, he doesn't like the compulsory approach, preferring incentives to compulsion. Babbitt has urged forgivable education loans for students who choose the military (already in existence, of course), the Peace Corps, or certain careers such as teaching. The problem with tying service to college loans is that it leaves out those who don't attend college, about half the population. Babbitt's loans for teachers, like Dukakis's, could use some kind of "talent test," otherwise much of the money would go to people already entering the profession.

Grade: **C**

Get serious about the deficit

America's long orgy of "borrow and borrow, spend and spend" finally prompted a rude awakening on October 19, when the stock market crashed. The budget deficit must be cut—substantially—and the candidates should be measured by how well they heed the advice of bank robber Willie Sutton: "Go where the money is." What would they do about entitlement programs, the largest category of federal spending? How would they cut defense spending? What would they do about agricultural subsidies, which now consume one in every 12 tax dollars? And, finally, how would the candidates raise taxes?

Since entitlement programs have been covered in a separate section, let's start with cuts in defense spending. True, the Pentagon *has* been rife with wasteful spending. But Congress has largely beaten the candidates to the punch. In contrast to real (after-inflation) increases of 7 to 10 percent a year in Reagan's first term, the last two Pentagon budgets have increased *slower* than inflation. So voters should watch out for promises of exaggerated savings in defense spending. For example, all the candidates agree on cancelling the MX missile, the B-1 bomber, Star Wars deployment, the Bradley Fighting Vehicle, and two new aircraft carriers. But since the cost of these systems is spread out over many years, they are notoriously poor short-term money savers. In FY 1988, cancelling all of these programs would have saved less than $1 billion.

The greatest share of the Pentagon's budget—where Willie Sutton surely would be headed—

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goes to pay and provide for America's 2.1 million active duty troops. The candidates ought to heed Dwight Eisenhower's advice, offered in 1963, and pledge to bring home some of the 350,000 troops stationed in Europe. In addition, we should expect our allies to contribute their share to defense. Our European allies spend about half as much of their GNP on defense as we do; the Japanese spend about one-tenth as much, while they benefit from our protection of their oil supply from the Persian Gulf. We can no longer afford to be the world's police, especially to protect allies whose economies are giving us a beating.

We could save another hefty chunk by reforming the Pentagon's wasteful pay structure—a $74 billion item last year. Every year Pentagon officials cite manpower shortages in a few critical areas to convince Congress to raise military salaries for everyone. It would be cheaper and more effective if the Pentagon would act like any private corporation and target its pay increases to those specialty areas that are experiencing the shortages. Further personnel savings could result from reining in military retirement benefits. (See "Unentitle the unneedy.")

Another large target for those serious about cutting the deficit is the scotch-tape-and-baling-wire arrangement known as the federal "Farm Support System." Last year direct subsidies to agriculture amounted to $25.8 billion, yet there are 39,000 fewer farms this year. We should support farmers, not crops. Too much of our subsidy money goes to large agricultural corporations or millionaires in John Deere hats, not to the family farmer we're supposed to be helping.

Now comes taxes. A previous section made the case for improving the *fairness* of the tax system. Here the focus is on *sufficiency* of revenue—what's the best way to raise revenue without crippling our economy? Beware the candidate who claims he can make a serious dent in the deficit merely by cutting Pentagon waste and a few other budget items. He can't.

Fully taxing Social Security and Medicare benefits for those above the current cap and keeping the top 38.5 percent tax bracket would raise about $26 billion a year. (See "Unentitle the unneedy" and "Tax the wealthy.") Restoring taxes on cigarettes, liquor, beer, and wine to their 1952 level would raise another $12 billion. Taxing the capital gains of inherited stock and placing a modest tax on stock transactions would raise $15 billion. Even that isn't enough. The truth is the deficit is so big the rich *and* the middle class must contribute. Either they give up such precious benefits as fully indexed COLAs, or they accept some kind of broad-based revenue increase that meets minimal standards of fairness and doesn't harm the economy.

There are innumerable ways to increase revenue. The point here is that when candidates talk about deficit reduction, they have a chance to show some political courage. It is also where a crafty candidate can obfuscate while the deficit gets bigger and bigger. Unfortunately, the latter is what most of the Democratic candidates have been doing.

►**Simon**: Simon is a self-proclaimed "Pay-as-you-go Democrat." By supporting Gramm-Rudman and the balanced budget amendment, Simon's message to conservatives has been "I'm a liberal who's serious about the deficit." But look closely and his message to liberals is, "Just kidding, fellas."

Simon's position on defense boils down to fewer nuclear weapons, more conventional weapons, keeping the military pay system intact, and no U.S. troop reductions without negotiations with the Soviets. It adds up to some savings—but a lot less than the $20 billion Simon suggests when he's asked to give a figure.

Outside of defense, Simon has not proposed a single major cut in a domestic spending program. Indeed, a rough budget based on Simon's pronouncements would produce the biggest deficit of any of the candidates. In addition to his $8 billion WPA-style jobs program, Simon has proposed increased federal spending for student loans, farmers, AIDS, early childhood education, and foreign language teachers. He's even suggested giving free telephones to the poor.

Simon would support new taxes "if they were necessary," but except for raising the cigarette tax, he doesn't think we're at that point. Instead he'd reduce the deficit by "lowering interest rates"—it's unclear how—and encouraging economic growth. "Cut unemployment in half...and the deficit is brought under control," a campaign brochure blithely asserts. It all makes you think that Gephardt's recent quip is right: Simon is more like a "Promise-as-you-go Democrat."

Grade: **F**

►**Jackson**: Jackson's philosophy on defense spending is "Just Say No." On a questionnaire distributed by the Roosevelt Center for American Policy Studies in Washington, Jackson was 9 for 9 in opposing specific weapons systems, including the F-15 fighter and the C-17 cargo plane, which

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are improvements over what we have now.

The cuts Jackson proposes would save billions, although the short-term savings from the cancelled weapons would be much less than the tens of billions of dollars he suggests. Additionally, he has urged more burden-sharing by our allies, though he is less specific than he was in 1984, when he called for the immediate withdrawal of some U.S. troops from Europe. However, he strongly supports the current military pay system and new across-the-board pay increases for soldiers.

On domestic spending Jackson is like Ado Annie of *Oklahoma*: He can't say no. True, Jackson's tax-the-wealthy proposal would raise more than $30 billion. But he has urged the creation of a national health care system for everyone, a near doubling of federal aid to education, and vague government initiatives to ensure jobs for every American that wants one. His most detailed proposal—an American investment bank that would "borrow" up to $200 billion in private pension funds—is actually little more than a taxpayer-guaranteed bond program that would likely cost billions in projects that could never pay for themselves (for example, government housing for the poor).

Jackson's instincts for helping the poor and unemployed are commendable, but his skills as an accountant leave much to be desired. Pressed to reconcile his extravagant spending plans with the current budget deficit, Jackson resorts to the standard liberal canard that every 1 percent drop in the unemployment rate reduces the deficit by $30 billion. Not if it costs $50 billion to do it.

Grade: **D**

►**Gore**: Gore favors "strong presidential leadership" and "tough priority setting" to reduce the deficit. In a major economic speech in December, Gore provided only a few clues as to what this means. He suggested eliminating the Bradley (everyone's favorite bad weapon these days), cutting government payments for unnecessary x-rays, and shifting farm subsidies away from corporate farms. The savings here would certainly be less than the cost of new Gore proposals to fight AIDS, improve education, and encourage Americans to save for college, housing, and long-term health care. Still, it's about the leanest "wish list" in the field.

At least Gore is more candid than most of the candidates about how little he'd actually cut from the defense budget. Citing the Soviet threat, he urges that defense spending be kept "at a constant level, with adjustments for inflation." And that's just for now; once the deficit starts coming down, Gore anticipates the need for "steady, real increases." He also supports existing troop commitments and he has no criticism for the current military pay system.

A classic "last resorter" on taxes, Gore told an audience in San Francisco recently that "my first choice for reducing the deficit is economic growth." Its the same line Ronald Reagan has been feeding us for eight years.

Grade: **F**

►**Gephardt**: Gephardt's speeches on the budget deficit constantly allude to "tough choices" and just as constantly duck them. Fairly typical was his November 4 speech to the Des Moines Chamber of Commerce, in which he advocated holding federal spending to "zero growth" (after inflation). He offered no examples of actual cuts but sprinkled the address with numerous references to more federal spending, such as investing in the "three T's—technology, training, and teaching."

When it comes to cutting the Pentagon budget, Gephardt wields a butter knife. He "prefers" the Midgetman over the D-5 Trident missile—but he'd build both. He opposes the B-1, but would finish 100 of them before moving on to the Stealth. Gephardt supports the current military pay structure. To his credit he has been a vocal advocate of more burden-sharing with our European allies and Japan, but he hasn't offered any specifics.

On agricultural policy, the Harkin-Gephardt bill might please Iowa farmers, but it's bad for everybody else. The proposal would ostensibly reduce direct federal payments to farmers, but the cure here is worse than the malady. Under the bill, farmers of a particular crop, say corn, could get together and agree to limit production. This way they wouldn't need those big subsidy payments, say defenders of the bill. By limiting production, prices would go up and corn farmers would get more for their crop. But by limiting production, the bill *would* raise food prices and in doing so act as hidden tax. And it would help soybean magnates as much as the family farmer.

On taxes, give Gephardt some credit for at least proposing something unpleasant: a $5 a barrel oil import fee. Give him a demerit for an idea that would not only be regressive, but would also raise the price of American exports from cars to corn. It's the last thing we need in battling a $175 billion annual trade deficit.

Grade: **F**

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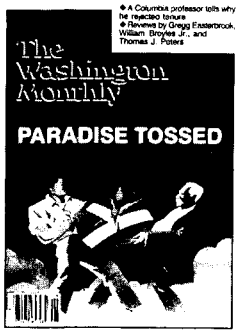

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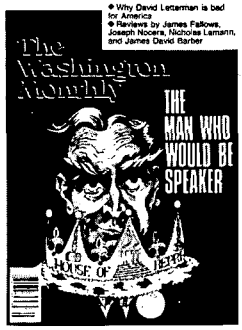

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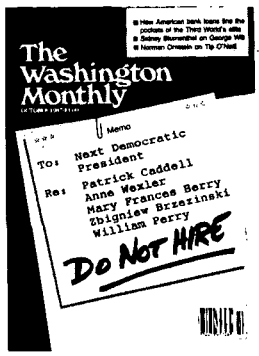

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►**Dukakis**: On defense, Dukakis's lists are about the same as everyone else's. He wants to cut the MX missile, Midgetman, B-1 bomber, and Star Wars deployment. He wants to keep D-5 Trident submarine missiles, the Stealth, and SDI research. He supports the military's current pay structure, and he would maintain existing U.S. force levels, at home and overseas. It's all a smart politician's way of tinkering at the edges. But by the candidate's own admission the effect on the budget would be "stability."

When Dukakis was asked during the NBC debate to suggest three domestic spending cuts, he was unable to name even one. On the agricultural programs, he's promised more spending through easier credit and $500 million for community redevelopment grants including aid to hard-pressed farm communities.

As for taxes, Dukakis is disingenuous, all too cleverly dodging the deficit question with his promise to "collect the $110 billion a year in federal taxes that isn't being paid." The estimate is wildly unrealistic, and Dukakis seems to know it. When pressed, his campaign aides provide estimates in the $15-20 billion range in the first year. It's likely to be even less; Dukakis fails to mention the state's history of lax collection which made his success much easier than it would be on a nationwide basis.

Dukakis rightly says it would be irresponsible for any Democrat to rule out new taxes, but he's not about to propose any. His other dodge is to allude to how a growing economy—like Massachusetts's—will generate additional tax revenues. Sound familiar?

Grade: **F**

►**Babbitt**: There's nothing special about Babbitt's list of defense cuts, although he is more specific than the other candidates about the actual savings in FY 1988 ($9.63 billion). He would not change the military pay system or reduce overseas troop commitments.

On domestic cuts, Babbitt is somewhat bolder. He endorses an alternative to Harkin-Gephardt proposed by Rep. Byron Dorgan of North Dakota. It would limit subsidies to "family farm units" defined according to major crop yields. Production beyond these defined limits would not be eligible for any subsidies. This is exactly what we need—a needs test for farm programs.

More significantly, this July Babbitt courageously proposed a phased-in, 5 percent consumption tax that would eventually raise $60 billion a year. (See "Tax the wealthy.") To suggest that the deficit can be reduced significantly without major tax increases that include the middle class is "flim-flam," he says. He's absolutely right.

Like other candidates, Babbitt has proposed his share of new spending initiatives, including free health care to all children living in poverty ($4 billion) and means-tested day care vouchers ($1-2 billion). But he's at least had the candor to try to bring some balance to the accounts.

Grade: **B**

The Grades Are In....

	Tax the wealthy	Let the talented teach	Cut the sticker prices	Unentitle the unneedy	Serve the community	Get serious about the deficit	G.P.A.
BABBITT	B	A	B	A	C	B	3.17
DUKAKIS	F	C	C	D	C	F	1.17
GEPHARDT	C	D	D	D	C	F	1.17
GORE	C	D	C	D	C	F	1.33
JACKSON	A	D	F	D	C	D	1.5
SIMON	F	C	D	D	B	F	1.17

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. . . And Gary Hart

Gary Hart has ideas, too. Take defense. While the other Democratic candidates largely have confined their criticism to individual programs in the Reagan-Weinberger defense build-up, Hart has written at length that the Pentagon's problems run deeper than $7,000 coffee pots or specific weapons systems like the MX missile. For instance, Hart would change the Navy by eventually eliminating its supercarriers which can be tracked by satellites and are vulnerable to missile attack. He has proposed an alternative: building a force of 300 attack submarines over the next 30 years—nearly tripling the size of the fleet—because submarines are harder to detect and more easily defended than surface ships.

When it comes to taxing the wealthy, Hart alone with Jesse Jackson has called for a third, higher tax bracket. But Hart hedges, saying that it's only "for a short period of time, for a few years." He also backs a 5 percent surtax on couples earning over $100,000 and individuals earning over $70,000. Hart would discourage corporate mergers by denying businesses the right to deduct interest paid on loans used in mergers. Like Gephardt, he's a strong supporter of the regressive oil import fee.

To bolster the economy, Hart is promoting his "Strategic Investment Initiative," a multi-part plan that includes provisions like raising the minimum wage and spending more on research and development. It calls for closer labor-management relations and singles out Employee Stock Ownership Plans (ESOPs) for special praise. But Hart hasn't said how to create more of them. On international trade, Hart has been a strong critic of tariffs and quotas.

A few years ago he was promoting an interesting plan to help new businesses. By targeting an increased capital gains tax break on new plants and new jobs, it seemed likely to stimulate employment and economic growth. But the idea seems to have disappeared from Hart's repertoire in the current campaign. He did cite the importance of "modern capital stock" in a speech last fall, but he never said what that meant.

Hart is urging Americans to send away for his new pamphlet "Reform, Hope, and the Human Factor: Ideas for National Restructuring." In it, he proposes ways to let the talented teach, like classroom evaluations of teachers instead of just standardized tests. "To have excellent teaching," Hart writes, "requires that we attract and retain the best teachers." But his major education speech is silent on merit pay. Hart also chides "bureaucratic credentialism which shuts the door to innovative teaching" but does not say if he would favor alternate certification to allow the hiring of those without education-school degrees.

When it comes to unentitling the unneedy, Hart has yet to join Bruce Babbitt in calling for the taxation of Social Security, Medicare, and other non-means tested benefits, though he says that he can save $13 billion in federal health care costs through a "reworking of the health care delivery system." And on the question of helping the poor, Hart has called for a "reciprocal-responsibility" between the government and the needy. "Welfare must be a bridge to work," Hart contends; but he has not endorsed a work requirement for welfare recipients.

On cutting the deficit, Hart has called for "real savings in defense through military reform." For instance, he would cancel some big-ticket items like the B-1 bomber, MX missile, and the F-18 aircraft. On the domestic side of the budget, he has suggested cuts in subsidies to agribusinesses and savings in Medicare reimbursements to doctors, but he has not cited specific amounts. Hart has not proposed cutting Social Security benefits.

On national service, Hart called for a "true patriotism" in his 1985 speech in Boston, but he supports only a voluntary plan similiar to what the other six candidates are offering. Hart would leave the specifics of his program to a 21-member Select Commission on National Service Opportunities.

While Hart has advocated bold policies on national defense, he's either been vague on many domestic issues or suggested dumping them on blue-ribbon commissions. This record suggests that he would do better as Secretary of Defense than in the job he covets. And since this report card measures presidential timber, not cabinet wood, Hart barely merits a **C**.

—*Matthew Cooper*

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WHO'S WHO in the Administration

Making bureaucratic enemies can be dangerous, as **Michael Deaver** has discovered. Two he made at the White House have played key roles in his decline. First **Richard Allen**, who blamed Deaver for the loss of his job as national security adviser, is said to have been the main source for the William Safire articles that helped get Deaver in trouble and kept his problem on the front burner. Then **Fred Fielding**, who loved to fly on Air Force One but was always being bumped from the manifest by Deaver, provided important evidence against Deaver at his trial....

Deaver's new book, *Behind the Scenes,* by the way, reveals that he was influential in not only Allen's ouster but in the departures of **Alexander Haig**, **Donald Regan**, **William P. Clark**, and **James Watt** as well....

Lawton Chiles has been a capable, decent, and thoughtful senator who has become an expert on the budget process. That is why his colleagues are so concerned that he has decided not to seek reelection....

It appears that **Frank Carlucci** is planning to take some really sensible and effective steps toward reducing the Pentagon budget. He is said to intend, for example, to cancel two aircraft carriers that are now scheduled to be built. He also proposes to make substantial personnel cuts. He should look first at the Air Force, which is the most featherbedded of the services, and then at the Pentagon civilian job force, which is also overmanned. If Carlucci actually succeeds in cutting a substantial amount of fat without harming essential muscle, he should be recognized as a national hero. Washingtonians with long memories, however, are asking why, if Carlucci is sincere about making these reductions, did he go along with the extravagant increases in the Pentagon budget that Weinberger was making in 1981 and 1982 while Carlucci was his deputy....

John Poindexter retired from the Navy last month with a pension of $52,764 a year. He is 51 years old. If he lives 22 more years—as longevity tables indicate he will—his total pension income will be $1,160,808. With annual cost of living adjustments, of course, the figure will be much higher....

As a Washington survivor, **Tony Dolan**, the White House speechwriter, may not rank in the same league with such champions of bureaucratic tenacity as **Hyman Rickover** and **J. Edgar Hoover**. But he has lasted seven years among the sea of sharks who swim in the waters of the White House. And he has done so in a job that ordinarily is the focus of intense criticism and as a red-meat conservative on a White House staff that has been dominated by a series of slightly right-of-center pragmatists. To top it off, the man who should have been his greatest ally, fellow conservative **Patrick Buchanan**, was his worst enemy....

In the aftermath of the stock market plunge, insiders are asking if we have the right man in charge of the SEC. During the plunge, **David Ruder** did exactly the wrong thing by nervously discussing the possibility of temporarily halting trading. Ruder, an academic from Northwestern, does not have the experience or the political skills to push through the reforms that are necessary to protect the markets from the excesses that exacerbated the crash. Finally, the SEC is badly understaffed—while the size and activity of the market has ballooned in the past ten years, the SEC has remained unchanged—and Ruder does not appear to have the stomach to insist on budget increases....

After we told you in November that **James Burnley** would not be confirmed as transportation secretary, and then in December that he "probably" would not, the Senate confirmed him anyway. Our only consolation is that Burnley has had to eat more words than we have, apologizing to the Senate for past outbursts and promising to improve upon policies he has championed for years as the department's deputy secretary....

In—*White House:* Deputy Assistant to the President for National Security Affairs—**John D. Negroponte.** Special Assistant to the President for National Security Affairs—**Charles N. Rostow.** Special Assistant to the President and Director, Public Affairs—**Marion C. Blakey.** *Defense:* Assistant Secretary, International Security Policy—**Ronald F. Lehman II.** Assistant Secretary, Public Affairs—**Dan Howard.** *Interior:* Director, Bureau of Mines—**T.S. Ary.** *State:* Assistant Secretary, International Organization Affairs—**Richard S. Williamson.** *Agencies and Commissions:* Director, Arms Control and Disarmament Agency—**Maj. Gen. William F. Burns.** Commissioners, Federal Communications Commission—**Bradley P. Holmes, Susan Wing.**

Out—*Defense:* Acting Assistant Secretary, International Security Policy—**Frank J. Gaffney Jr.** Acting Secretary, Public Affairs—**Fred J. Hoffman.** *Energy:* Assistant Secretary, Environment, Safety, and Health—**Mary L. Walker.** *Interior:* Director, Bureau of Mines—**Robert Carlton Horton.** *State:* Assistant Secretary, Oceans and International Environmental and Scientific Affairs—**John D. Negroponte.** *Treasury:* Assistant Secretary, Management—**John F.W. Rogers.** *Agencies and Commissions:* Deputy Director, Operations, Central Intelligence Agency—**Claire E. George.** Chairman, National Labor Relations Board—**Donald L. Dotson.**

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The Federal Reserve is powerful, mysterious—and undemocratic

The Color of Money

by Alan S. Murray

I was granted an audience with Paul Volcker twice during his tenure as Federal Reserve Board chairman, and both times the opening ritual was the same. My colleague and I were ushered into his office, and we stood in silence while "the chairman," shrouded in cigar smoke, continued to work without raising his head or acknowledging our presence. I can't remember how long the silence lasted—perhaps only 10 or 20 seconds—but it was long enough to make it clear that we were sand fleas in this man's universe. It was one of his many ways of arrogating power.

Paul Volcker has been widely praised as representing the best of "the Fed." He is a brilliant technocrat, and he is rightly credited with taming inflation at a time when few thought it could be done. But Volcker also represents what is most troubling about the Federal Reserve. Like his institution, he is aloof and disdainful of the messy ways of democratic government. He always operated in secret, and he was proud of his ability to give evasive answers that obscured the central bank's most important actions, even when those actions were sending shock waves through the lives of every American. In response to a reporter's question, Volcker once said gruffly: "We did what we did, we didn't do what we didn't do, and the result was what happened." The response typified his attitude towards an informed public.

Anyone who watched the Volcker Fed in action had to wonder: how can a government based on democratic principles allow so much power to be concentrated in the hands of such an autocratic individual? And how can the economic fate of the nation be entrusted to an institution run by unelected officials, accountable to virtually no one?

It is because of those questions that I was anxious to read *Secrets of the Temple,* a new book on the Fed written by William Greider, national editor of *Rolling Stone* magazine.* Much has been written about the central bank in the past, but for the most part, the authors have been economists or financial analysts, who are more interested in the mechanics of money than its politics. Greider promised a different view: an in-depth look at how this enigmatic institution fits—or doesn't fit—into the fabric of democratic society.

On one level, Greider's book fulfills the promise. As the title suggests, he reveals the "secrets" of the Fed. Central Bank officials were surprisingly candid in their discussions with him and enabled him to remove the veil of mystery surrounding monetary policy. He explains the arcane actions of the Fed in clear prose and faithfully traces the stark human consequences of those actions. He exposes the technocrats who guide Fed policy as ordinary mortals susceptible to their own errors, miscalculations, pride, and embarrassments. With admirable diligence, he delves deeply into not only the history of the Federal Reserve but also the history, psychology, and mythology of money, telling a series of fascinating stories that reveal the character of this unusual institution. Fed efforts to raise or lower interest rates, often taken in spite of strong opposition from the administration and Congress, have had the capacity to cause vast changes in economic fortunes, and immense human suffering. But as Greider shows in detail, Fed officials have seldom been called on to account for that suffering.

The most surprising revelation of the book is the story of an instance in 1984 when Volcker effectively overruled his own policy-making committee, empowered by law to set monetary policy. The chairman concluded that the Fed had raised interest rates too high earlier that year, threatening a premature end to the economic expansion. He wanted to ease policy and bring down interest rates, but the members of the policy committee—known as the Federal Open Market Committee—opposed him, fearing that lower rates might encourage inflation. Volcker instructed the New York Federal Bank *to ease*

Alan S. Murray is chief economics correspondent for The Wall Street Journal *and co-author of* Showdown at Gucci Gulch: Lawmakers, Lobbyists and the Unlikely Triumph of Tax Reform. *Random House.*

**Secrets of the Temple.* William Greider. *Simon & Schuster, $24.95.*

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anyway, despite the committee's directive to the contrary.

"I knew what instructions he was giving the New York desk," Anthony Solomon, president of the New York Federal Reserve Bank at the time, told Greider. "And I thought he was not faithfully observing the instructions of the FOMC. He got his desk to take major action that went way beyond the framework of the directive. He was taking too much leeway personally."

Even Oliver North might have been shocked by that arrogant assumption of power. The laws governing the Fed required little accountability. Volcker didn't have to consult with or inform Congress or the administration when he planned to push interest rates up or let them down. He didn't have to tell any elected official that he was about to embark on a course that could result in widespread bankruptcies or unemployment. But he was required, under the law, to obey the consensus of the Open Market Committee (filled at that time with Volcker loyalists). Even that constraint proved too much for the independent-minded Volcker.

As it turned out, Chairman Volcker was right. The Fed had tightened too much in early 1984, and it was flirting with recession. The easier policy that the Fed chairman forced on his fellow central bankers was, in retrospect, the correct one. Nevertheless, the Fed chairman's autocratic action raises serious questions.

"Neither Congress nor the White House... could affect private lives with the immediacy and universal reach of the Federal Reserve's power, its ability to send instant signals rippling through every family's financial decisions, to change the incentives in virtually every business transaction," Greider writes. "The paradox for democracy was obvious: the Washington institution that was most intimately influential in the lives of ordinary citizens was the one they least understood, the one most securely shielded from popular control."

The stern father

Ironically, the Federal Reserve had its philosophical roots in the populist uprisings of the late 1800s, when farmers and small businessmen rose up against the power of the big banks. But the bankers managed to frame the new institution in a way that gave them effective control. Reforms made in the 1930s diluted the power of the banks over the Fed but left intact an unusual, hybrid government institution with little direct accountability to the public. The president appointed Fed governors, but they held 14-year terms that assured their independence. The chairman held only a four-year term, but that term was set so that one president could saddle his successor with an uncongenial central banker.

The unusual arrangement went unnoticed by most people. As Greider points out, the "money question" was the subject of great debate during most of the nineteenth century, when William Jennings Bryan stirred thousands with his famous "cross of gold" speech, calling for an abandonment of the gold standard. But in the twentieth century, the Fed succeeded in convincing the public that monetary policy was an arcane undertaking that need not concern the average American. Never mind that the Fed had the power to bankrupt thousands of small businesses, to erode a lifetime's savings, or to throw millions of people out of their jobs.

"There's an awful lot of power there held by unelected people," an "administration official"—apparently Treasury Secretary James Baker—is quoted as telling Greider. "That's an awful lot of power with darn little accountability. I'm not sure it's good for a president to be held responsible for monetary policy when he has no control over it. There's a powerful counterargument, which is that you don't want politicians messing around with monetary policy for their own benefit. But maybe there is a middle ground somewhere. If the president controlled monetary policy, at least you would have someone accountable for it. After all, the president does have to answer to the public."

Over the years, Congress had acquiesced to this undemocratic state of affairs. From time to time, members called for reforms that would restrict the Fed's independence. But in truth, the majority of members of Congress were reluctant to increase their own control over monetary policy. They knew that even small changes in policy could wreak havoc, and they were loath to take responsibility.

Greider shrewdly compares the relationship between Congress and the Fed to that between unruly children and a stern father. "As long as the stern father was present to indulge their excesses, to clean up their mistakes and restore order, the elected government would continue to act like children," he writes. "The creation of the Federal Reserve represented a great retreat from democratic possibilities. The maturing of self-government was forever stunted."

Greider's analysis breaks down, however,

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because of his insistence on seeing monetary policy as a class struggle. The debate over monetary policy, he writes, conceals "the deeper political conflict among classes of citizens. The money question was the political expression of a struggle over shares." The idea resurfaces repeatedly throughout the book and becomes more insistent as it progresses. By the end, he has worked himself into the conviction that a return to inflation is to be welcomed with open arms.

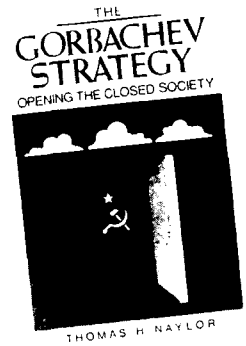
"Inflation encouraged the future and, if kept to reasonable proportions, it stimulated general optimism," he concludes. "Rising prices excited what Keynes called the 'animal spirits' of businessmen....A return to inflation would begin again to discretely redistribute wealth in a positive direction."

There is an element of truth to this analysis. Especially in its early stages, inflation benefits debtors—who can pay back their debts in cheaper dollars—and punishes creditors—who are stuck with those cheaper dollars. And as Greider tells us repeatedly, only 10 percent of Americans own 86 percent of the nation's financial wealth. So why not use inflation to reduce the holdings of the wealthy and help the struggling debtor?

But in truth, inflation's winners and losers are not divided along neat class lines, as Greider suggests. Well-to-do homeowners, for instance, may benefit nicely from inflation, while renters suffer. Union members whose hefty paychecks are guaranteed by cost-of-living agreements might not feel the pinch of higher prices, but non-union workers can see their earnings gradually erode. Moreover, many of the distributional effects of inflation that Greider favors are only temporary. A lender won't continue to make loans at 10 percent, once he realizes that inflation has risen to 15 percent. The benefit to the borrower occurs only because the lender is temporarily *fooled* by inflation. Once he realizes that prices are going to rise at a 15 percent pace, he demands higher interest rates. To help a new borrower, inflation must rise even higher, say 20 percent, and trick the lender yet again. And to maintain this charade indefinitely, inflation must spiral ever upward at an accelerating pace, always staying ahead of the bankers' expectations. Even Greider, I suspect, would be a bit uncomfortable with that prospect.

Perhaps the most important failure of Greider's Marxist analysis, however, is that it ignores the effects of inflation on overall economic growth. In the short run, to be sure, inflation may stimulate growth. But as it accelerates, it creates

"This will be the most talked-about Gorbachev book of the year....



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Thomas H. Naylor

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tremendous uncertainty about the future. People and businesses become afraid to make the long-term investments that the economy needs if it is going to grow and if living standards are going to rise. As anyone who lived through the late 1970s in this country should know, inflation doesn't stimulate "optimism" or boost the "animal spirits" of businessmen. Instead, it does the opposite.

Greider is right to complain that the distribution of wealth and of income has become more unequal during the 1980s. Commerce Department figures show that the percentage of income going to the top 20 percent of families rose to 43.7 percent in 1986 from 41.6 percent in 1980—a big move in such a short period. At the same time, the income going to the bottom fifth dropped to 4.6 percent from 5.1 percent.

But it's wrong to finger Volcker's anti-inflation policy as the principal culprit in this change. What Greider fails to note is that the trend toward regressivity actually began in the late 1960s and took firm hold during the inflationary 1970s. The trend probably has far more to do with tax and budget changes than with monetary policy. If Greider wants to improve income distribution, he should look to tax policy and budget policy. Using monetary policy in an effort to redistribute wealth and income would be a wrongheaded and dangerous mistake.

The point here is that stable money is more than just an obsession of the "creditor class"—as Greider suggests. And it is more than an anal obsession, or an oedipal rebellion—suggestions Greider also makes. Reasonably stable money is good economic policy. And while the American people may not have much say in the Fed's activities, the majority of them would agree that inflation is harmful to their way of life.

Greider chronicles the tremendous pain caused by Volcker's efforts to rein in inflation. The farm crisis, the Third World debt problems, and the plight of U.S. manufacturers were all largely results of Volcker's decision to boost interest rates to fight inflation. The human suffering that resulted from that decision was enormous.

But ultimately, that suffering isn't the cost of maintaining a stable money policy. Rather, it is the enormous cost of wringing inflation out of the economy once it has taken hold. The lesson of the last two decades is not that inflation is preferable to disinflation, as Greider suggests. Rather, it is that stable prices are preferable to either inflation or disinflation. □

John Scully helped revive Apple Computer. But don't think MacCulture will work in the rust belt.

Apple Polishing

by G. Pascal Zachary

Like the turn of the century automobile revolution, the rise of the personal computer has entered American folklore. It is an appealing tale: a group of scruffy young computer hackers led by a couple of college dropouts named Steve (Jobs and Wozniak), set out to create a new industry based on a populist credo— "one person, one computer." The established computer companies, who build the big mainframes that are shared by large groups of users, possessed the technology to transform the computer into a tool for individuals. But these companies—most notably Xerox, which had an entire lab working on personal computers, and Hewlett Packard, which rejected Wozniak's offer to build his first computer—turned their backs on the idea out of a desire to protect their existing products. Rather than seeing the potential of personal computers, the computer establishment saw only the threat. That left the field to business novices like the two Steves to trigger a revolution in personal productivity—and build a huge new American industry.

Jobs and Wozniak formed Apple Computer about ten years ago to spread the gospel about personal computers. The company and its cause

G. Pascal Zachary writes about computers for the San Jose Mercury News.

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soon attracted the attention usually reserved for rock stars and royalty, and it has now spawned an unusual corporate memoir by Apple's current chief, John Scully.*

After its fast start, Apple ran into trouble, a victim of its own grandiose dreams and the entrance into the personal computer market of the world's biggest computer company, IBM.

To fend off Big Blue, Apple's board of blue-chip directors figured the company needed a dose of establishment medicine. For all his creativity and showmanship, Jobs was no manager. Early in Apple's history he had relinquished day-to-day management duties, allowing him to indulge his passion for the Macintosh Division, which eventually consumed Apple's resources.

In from the East came Scully, president of Pepsi-Cola, to tame this wild child and teach it corporate manners. Jobs had personally wooed Scully, challenging him with the question, "Do you want to spend the rest of your life selling sugared water, or do you want to change the world?" Scully, ripe for change, took the bait.

At Pepsi, Scully had measured corporate success in market points and battled fellow executives for the right to succeed the company's revered chairman, Donald Kendel. At Apple, protocol was nonexistent, and Scully, used to Pepsi's elaborate boardroom rituals, was shocked. Recalling his first extended executive meeting at Apple, Scully said of the participants, "Many of them traded insults as often as kids used to trade baseball cards."

Before long, however, Scully was acting like one of the Apple kids himself. Rather than rein in Jobs, Scully permitted his authority to grow, and soon the company was careening out of control as Jobs poured money into the ill-fated Lisa computer project and ignored critics calling for an overhaul of the original Mac. With Jobs running amok, Apple lost its leadership to IBM and was in danger of going belly up.

Scully sobered up in the nick of time. Rediscovering his former pragmatic self, he ousted Jobs from the company in a well-publicized maneuver that serves as the dramatic high-water mark of *Odyssey*. For Scully, the decision was "personally devastating" but inevitable. When he first suggested that Jobs surrender daily management duties, Jobs responded by trying to depose Scully. Jobs planned to deliver the knockout blow when Scully was traveling in China, but at the last moment, warned off by loyal executives, Scully canceled his trip and confronted Jobs about his plans in front of a group of Apple's top executives. The resulting shake-out marked the end for Jobs, who resigned a few months later. That left to Scully the task of revitalizing Apple. In the face of sluggish sales, Scully transformed the organization, shutting plants and laying off hundreds of workers.

After computer sales began to rebound—and he no longer thought the company's survival was at issue—Scully moved to conventionalize Apple, hiring executives from old-line computer companies and dropping the firm's emphasis on consumer sales for an assault on business. The result: a once skeptical business community has embraced Apple's Macintosh family (even the Pentagon has a Mac users group), and Apple is posting huge profits.

Scully, however, is not content with simply retelling the story of Apple's business triumph. He unwisely tries to analyze the nation's economic ills, putting forth Apple as an example of how American companies can better compete globally. "We're trying to build a model corporation for the future," Scully writes. For him, Pepsi is "a company for the rational world. . . a world too consumed with power and competition, a world that rewarded people for building corporate empires, not beauty."

Scully is particularly impressed with how well Apple and other Silicon Valley high-tech firms have tapped individual creativity among their workers. He even goes so far as to compare the valley to "what Florence must have been in the Renaissance."

But the vague lessons Scully draws from his four and a half years at Apple are often at odds with the company's penchant for stumbling onto solutions (the design of the popular Macintosh, for instance, had its origins in Jobs's serendipitous visit to a Xerox research facility). Besides, Apple is built on a work force that few established manufacturing firms could duplicate. The company has virtually no minority managers or older workers and is staffed almost entirely by young, highly educated technicians. If this, as Scully argues, is the model for the twenty-first century corporation, then in the future corporate America will employ only yuppies.

In marrying the radicalism of the personal computer pioneer with the marketing glitz of the soft drink executive, Scully has clearly pulled off a management coup. But he hasn't provided us with a recipe for America's industrial renaissance. □

**Odyssey: Pepsi to Apple.* John Scully. *Harper and Row, $21.95.*

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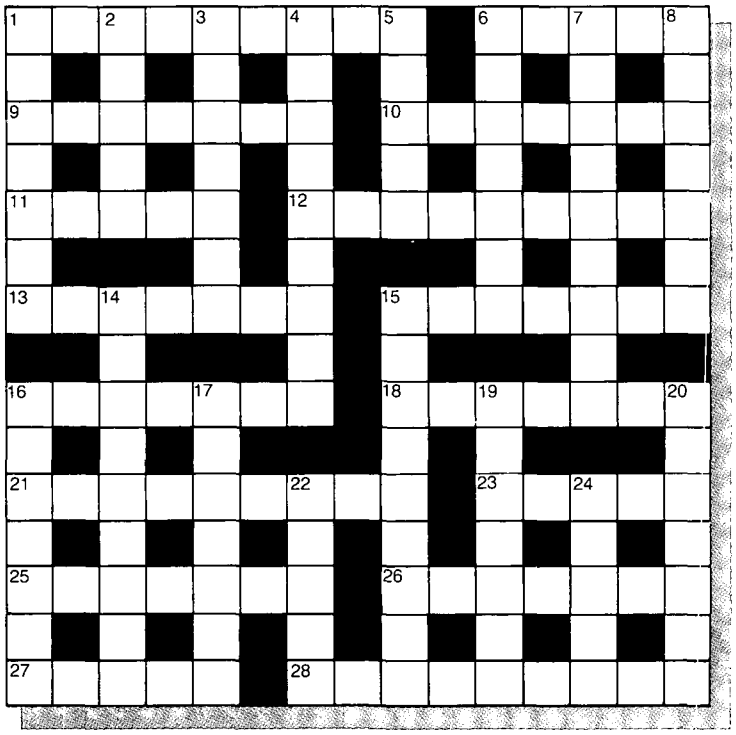
POLITICAL PUZZLE

by John Barclay

The numbers indicate the number of letters and words, e.g. (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g. USA, are treated as one word.



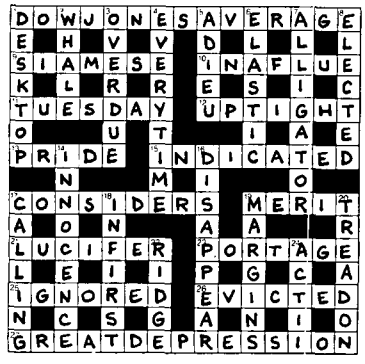
ACROSS

1. Leading Russian composer in windy grove. (9)
6. Six meet for trip. (5)
9. Country readied for rail age. (7)
10. Tremors shook for attacker. (7)
11. Indian takes cab in Rhode Island? Just the opposite! (5)
12. Lee horse heads south for tourists. (9)
13. Pet list sorted for effusion. (7)
15. Favorable developments from tricky rust pun. (7)
16. Ratters off to begin again. (7)
18. Appendix unusually cold around French here. (7)
21. Rob wrecked Kobe train. (5,4)
23. Dubious policy for present position? (3,2)
25. Sect on a roll for fuel ratings. (7)
26. Producer led mile mix-up. (2,5)
27. Coerce enemy around church. (5)
28. Dire count produced smaller amount. (7)

DOWN

1. Looks at German weapons? (7)
2. Acknowledged a man. (5)
3. Entertainer tossed to a crab. (7)
4. Deep, but flat there somehow? (9)
5. View from George VI's table. (5)
6. Evil, not unusually severe. (7)
7. Balanced Tim's mercy in a way. (9)
8. Attacks business combinations around the end of March. (7)
14. Examiner of about 100 proteins displayed. (9)
15. Refined crude down with empty spaces. (9)
16. Erases or buffs vigorously. (4,3)
17. Turned as a neck turned. (7)
19. Powerful 699 surround many rising. (7)
20. Light rental arrangement point. (7)
22. Emphatic denial of rosin manufacture. (2,3)
24. First testament of German leader? (5)

Answers to last month's puzzle:



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POLITICAL BOOKNOTES

Pepper: Eyewitness to a Century. Claude Pepper, Hays Gorey. *Harcourt Brace Jovanovich, $17.95.* A month after Black Monday, while congressional and White House leaders held an "economic summit" to reduce the deficit, 87-year-old Rep. Claude Pepper swore his opposition to including Social Security cuts in the package. Pepper threatened to use his power as Rules Committee chairman to force a separate vote on the issue. Although Social Security was one program that could stand to be cut because it fails to distinguish between rich and poor recipients, the summit left it alone. The paltry $30 billion in budget cuts that the summit finally produced can be blamed largely on Pepper's unfortunate influence.

Pepper's career in politics reflects the best and worst of the New Deal. His unbending opposition to means testing or even taxing Social Security benefits is the New Deal's worst legacy: mindless support for expensive government programs without concern that benefits be targeted to those in need. But as a senator from 1937 to 1950, Pepper showed what was noblest in the New Deal: passionate commitment to the down-and-out. Pepper sponsored the first minimum-wage, maximum-hours bill; he sponsored bills to expand government research to fight disease through the National Institutes of Health; and he helped Franklin D. Roosevelt kill tax breaks for the "economic royalists." Such positions were risky for a southerner, but Pepper was committed to helping the afflicted and opposing privilege. When World War II approached, Pepper showed he was also eager to fight Nazis: he bucked Senate isolationism by sponsoring the first Lend-Lease bill.

It all came crashing down at the height of McCarthyism in 1950, when Pepper was labeled "Red Pepper" for meeting with Josef Stalin and allowing himself to be photographed with Paul Robeson and Henry Wallace. Opponent George Smathers told audiences that Pepper had learned the law under the "crimson of Harvard." Pepper also was made to suffer for his advocacy of socialized medicine and his failure to oppose civil-rights legislation. In an unusually ugly campaign year (Richard Nixon used similar tactics against Helen Gahagan Douglas), Pepper was sent into humiliating exile.

When he returned in 1963, it was to the House, not the Senate. Pepper's defeat had not sapped his energy; to this day, he is a forceful and shrewd legislator. But it's possible he lost some of his nerve. Pepper fervently denies that his role as broker for the elderly reflects his Florida district's gray constituency. (He also takes exception to accusations that his support for Nicaraguan "freedom fighters" reflects the growing number of Cubans in his district.) To be fair, Pepper has supported senior citizens throughout his career: the first bill he sponsored as a young Florida state legislator exempted the elderly from a fishing license fee, and Pepper championed the fledgling Social Security program in the late 1930s, before it became a sacred cow. The book's most intriguing revelation is that Pepper used to argue with his wife about "my continuing closeness with the family" (that is his mother and father), who lived with the young Peppers. This may suggest a more subliminal explanation for Pepper's devotion to Social Security at any cost. He remembers what a drag it was keeping the old folks in the spare room.

—Timothy Noah

The Velvet Prison: Artists Under State Socialism. Miklos Haraszti. *Basic Books, $14.95.* Lenin once said that he was afraid to listen to Beethoven because the music made him feel like caressing the people's heads when he needed to beat them. In his chilling exploration of state-directed culture under socialism, Miklos Haraszti, a leading Hungarian dissident, shows that post-Stalinist Eastern European leaders have developed a new and uniquely effective method of cultural control: they beat heads with a caress.

At a time when Soviet citizens and Western observers alike are trying to figure out just what Mikhail Gorbachev means by "glasnost," the new English translation of *Velvet Prison* is not reassuring. Haraszti argues that the experience of the Hungarian intelligentsia suggests an overt loosening of state control may be the harbinger of subtler, more manipulative constraints. Even worse, a loosening may indicate that the intellectuals have been so thoroughly co-opted as to make censorship obsolete.

The plight of the artist under totalitarianism is a familiar subject, but Haraszti shows just how artists have been co-opted. The state tests prospective artists at an early age for ability and docility. The special art schools, where most Hungarian mothers would love to send their children, use a small stick and a big carrot. State teachers condemn any work that is ambiguous or demands individual interpretation. But if they graduate, the pampered prodigies are granted lifetime job security and a guaranteed market as well as a comfortable social position among the state elite, drawing a white-collar salary and attending luxurious retreats.

The state encourages its artists to borrow not only from their prerevolutionary heritage but also from the West. The only condition: be it cubism, literary minimalism, or rock and roll, a style borrowed from the West must be sufficiently banal to be useful. Even Rambo, Haraszti muses, may someday have a place in Hungarian culture.

In order to capture the mind-set of this "soft" censorship, Haraszti has done some co-opting of his own. The book is written in the language of the state artist and is structured like a manual/manifesto of "socially committed art." But through the dull ideological polish shines Haraszti's biting sarcasm. The author points out that in a directed culture real meaning must be read "between the lines," and he has created a brilliantly artistic book that makes the reader do the same.

Haraszti admits that *Velvet Prison* is a pessimistic little book.

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After hearing about the recent Moscow International Book Fair, where dissident Soviet writers were invited to mingle with prominent Soviet censors, I can't help but wonder if Gorbachev is borrowing more than just agricultural reform from Hungary.

—*Michael Willrich*

Chile: Death in the South. Jacobo Timerman. *Alfred A. Knopf, $15.95.* This chilling book, which first appeared as a *New Yorker* series, is a textbook on dictatorship and how people learn to live with it. Timerman will horrify those who are romantics about Chile and are still waiting for General Pinochet to be swept out of office by a tide of protest.

The reality Timerman presents is this: Pinochet has maintained himself for 14 years as dictator of what was once the most democratic country in Latin America. He has bought the support, or at least the silence, of the middle and upper classes with cheap consumer goods. He has used fear, with surgical precision, to quiet the poor and those who couldn't be bought. There is active opposition, but on a very small scale. Today the government kills about 55 people a year. No one doubts Pinochet would kill more if he needed to, but he doesn't need to. In this once passionately political country, the latest strikes have been broken and the opposition daily newspapers are in danger of closing for want of readers. Timerman, himself a victim of torture in Argentina, quotes an opposition leader expressing his shock at the torturers who have emerged from the entrails of Chile, but when Timerman uses the quote he is not talking just about the government, but about Chileans.

Most of the book is about the opposition politicians and why they have been unable to enlist Chileans—85 percent of whom oppose Pinochet—in the struggle. Timerman says little about the limits of their existence: the constant danger and the lack of access to television or elections. He focuses on what the limits have produced: a romantic cocoon of nostalgia that has rendered the opposition irrelevant. For him, the anti-Pinochet theater, magazines, and coffeehouses that nourish the opposition are an escape valve created by the regime to let off pressure. He criticizes the opposition parties' unwillingness to compromise and the hard left's tolerance for violence, which drives moderate Chileans into Pinochet's camp.

The book's most serious flaw is that its prescriptions, based in compromise, are jarring and unconvincing. But why should Timerman have found a way to defeat Pinochet? No one else has; the likelihood is that none exists.

—*Tina Rosenberg*

Dollars and Dreams: The Changing American Income Distribution. Frank Levy. *Russell Sage. $27.50.* Frank Levy has immersed himself in Census data and emerged with a depressing but significant story to tell: America has indeed been quietly slipping backwards for over a decade. In 1973, the average 40-year-old man earned $28,118 (in constant 1984 dollars). Ten years later, at age 50, he was making only $24,132. Meanwhile, the 40-year-olds of 1984 were earning even less—about 17 percent less than the 40-year-olds of 1973. Looking at these figures, you wonder not why there has been so much political "malaise" (to coin a phrase) since 1973, but why there hasn't been a revolution.

The reason is that the decline in individual earnings was masked by the well-known entry of second earners into the work force, so that *family* income didn't decline as rapidly. Even so, the proportion of husband-wife families making over $30,000, when corrected for inflation, declined from 51 percent in 1973 to 45 percent in 1984. Americans had a reason for suspecting that, despite Walkmen and microwave ovens, they weren't living as well as their parents had lived in the sixties. They weren't.

Does this mean the middle class is disappearing? Not if you define "middle class" as whoever is in the middle. The middle is still by far the fattest part of the income distribution. But because everyone slipped backwards, "being in the middle of the distribution" no longer guarantees that you could buy the things you once thought "middle class" people could buy.

There has been a small increase in inequality to go with the overall stagnation of earnings. But it was the stagnation, Levy argues, that made the inequality seem ominous. When the whole train is moving forward, people don't worry so much whether they are in the first or last car. It's when the train stops that it becomes very important to get away from the caboose. Incomes have always been unequal. But without growth and upward mobility, people suddenly feel locked in at their level. "Inequality of prospects" rises more rapidly than actual money inequality.

And whether there's more inequality or less, Levy notes, there is good reason to lament the loss of industrial jobs that pay high wages without demanding the technical training of a software-programmer or the smooth interpersonal skills of a marketing rep. It's one thing to have inequality of income; it's another to have inequality based rigorously on skills or credentials. That gives the whole income distribution a nasty meritocratic bite—smart people in the upper quintiles, dummies down below.

Scattered throughout Levy's book are surprising, and sometimes profoundly distressing statistics. One of the latter is the black male adult unemployment rate in 1968-69. It was 3.8 percent. Today, it is 10.2 percent. Yet liberals who recite these depressing economic trends, as if they automatically reflect discrimination, might note that three-quarters of black husband and wife families now have incomes that put them in the top three quintiles, a major success story. Unfortunately, most black children are not being born into such husband-wife families.

Levy is not a polemicist, though sometimes you wish he were. He tells his story calmly and clearly, with a minimum of jargon. *Dollars and Dreams* deserves a larger au-

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dience than books about statistics generally get. As it is, Levy is probably doomed to see his carefully explained numbers distorted by speechwriters and editorialists for years to come.

—*Mickey Kaus*

Leadership and Innovation: A Biographical Perspective on Entrepreneurs in Government. James W. Doig, Erwin C. Hargrove, eds. *Johns Hopkins University Press, $39.50.* Does it make any difference who heads government agencies? Was Ralph Waldo Emerson just whistlin' Dixie when he said, "An institution is the lengthened shadow of one man?"

Doig and Hargrove take the cautious view that under optimally favorable circumstances, individuals with entrepreneurial moxie can greatly influence the course of events.

To make their point, they present biographies of 13 government leaders who have had such an impact. Their checklist for effectiveness includes the extent to which the executives identified new programs for their agencies, and developed both external and internal constituencies to support their goal.

The answers are somewhat blurred by the biographies. David Lilienthal successfully made the Tennessee Valley Authority a reality. He roused the people of the valley with soapbox speeches while fighting off lawsuits brought by private utilities. "I'm a fighter," he said. "I enjoyed the controversy...conflict is about the only thing that really produces creativity." But in his battles at the TVA, he had the crucial support of Franklin D. Roosevelt. Later, as head of the Atomic Energy Commission, Lilienthal was generally regarded as ineffective.

Gifford Pinchot was the founding director of the U.S. Forest Service. He too knew the value of publicity: he cultivated magazine editors and tirelessly made speeches to any group that would have him. But it was tough going until his old friend and fellow conservationist, Theodore Roosevelt, became president. Then the Forest Service took off. But when William Howard Taft became president, conflicts developed and Pinchot was fired.

James Forrestal's career abounded in irony: as a forceful secretary of the navy, he opposed unification of the armed forces; then, as the first secretary of defense, he was unable to control the interservice rivalries that he had helped to create because of the weakness he had succeeded in having written into the secretary of defense's role.

The figure whose life and career makes the strongest case for how an iron will can prevail over institutional inertia is Hyman Rickover. Eugene Lewis, who wrote the book's Rickover biography, makes this distinction between entrepreneurs and managers: "Entrepreneurs tend to see opportunity in structural confusion, while managers tend to want to rationalize things so that contradiction and overlap are disposed of by organizational design." Rickover was "task-oriented"—he scorned hierarchical prerogatives in favor of project management in which knowledge, not rank, provided the leadership. (To emphasize that, neither he nor the military officers he worked with wore uniforms, with their proclamations of where one stood in the pecking order.) Inevitably, he alienated the naval bureaucracy: he was passed over for promotion in 1951 and again in 1952—which ordinarily would have meant forced retirement. But Congress had been impressed by Rickover's concern for cost and safety in building nuclear submarines. The Navy backed down and Rickover got his promotion. He knew the importance of cultivating Congress. He created a power base there and in the press—and on that base he built a nuclear Navy. It would have been built in time even without Rickover, but there is no question that his forcefulness, his emphasis on technical innovation and detail, made it happen sooner. It was truly "Rickover's Navy" because he insisted on choosing the men who manned the nuclear ships.

Aside from the occasional Rickover figure, who does it by sheer and often obnoxious determination, the two essential ingredients of success for a government entrepreneur seem to be the wholehearted support of the president and the fostering of outside interest groups that stand to benefit from the desired programs. (In the case of Nancy Hanks, the lobbies she created on behalf of the National Endowment for the Arts eventually became so strong and so demanding that Hanks found her credibility with Congress undermined by their voracious appetites.)

That the care and feeding of these interest groups may contribute to the fragmentation of America is not the concern of the contributors of this book. Their concern is demonstrating that an unusual individual can have an impact and they make an interesting but not very compelling case. Or, at least, the individual has to be so unusual as to be a phenomenon on the American landscape.

—*Leonard Reed*

Uneasy Virtue: The Politics of Prostitution and the American Reform Tradition. Barbara Meil Hobson. *Basic Books, $20.95.* Regardless of whether you think prostitution should be legalized, Hobson's history of America's oldest profession will convince you that the life of a prostitute is not only difficult but very often absurd.

First there's the inherent sexism of the territory. Throughout history, male prostitutes have been ignored by urban courts while female prostitutes have been singled out as criminals, evil seductresses, and carriers of disease. Male-dominated law has been anything but consistent.

And it's not as though there's an easy way to move up from the streets into management. At one time, a prostitute could aspire to being a "madame," but today the streets are so violent that male pimps have become a necessity. The professional ways of Sydney Biddle Barrows are not as common as media coverage implies.

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If you think that somehow prostitution can be cleaned up by some neat ordinance creating a legalized Red Light district, take a look at Nevada. The place is even sleazier than you might think. In the four desert counties where prostitution is legal, prostitutes are more prisoners than working women. In Lyon County, the Red Light district is a bunch of trailers in the desert five miles away from "any city, town, or mobile home park." One Nevada town makes it illegal for prostitutes to leave their brothels on Sunday, and it also limits where they can shop and when. Imagine not being able to leave your office to go to the local drug store.

And if you're a prostitute, don't look to feminists for help. They've spent a lot of time infighting. For instance, COYOTE (Call Off Your Old Tired Ethics) has been at loggerheads with WHISPER (Women Hurt in Systems of Prostitution Engaged in Revolt). The former believes prostitution ought to be legal and that it grants economic independence to women; the latter says it leaves them subservient to men. For its part, NOW has come down in the middle. In 1973 it called for the decriminalization of prostitution, but has declined to make a "judgement that prostitution is morally good." Hobson never says whether working girls follow these debates.

Not only that, she doesn't talk to prostitutes themselves. Although she has written a thought-provoking book, Hobson is so busy plowing through ninteenth-century issues of the *Boston Surgical and Medical Journal* and researching at the Swedish Center for Working Life that she never finds out what prostitutes themselves think. What do they think is the legal and social solution today and how do they think society can accommodate both? How can we keep young children from working on the streets? What do the customers of prostitutes think of their illegal practices? It's hard to imagine any conclusions being drawn without taking the opinions of *these* experts into account.

—C. Blair Palese

The Knave of Boston and Other Ambiguous Massachusetts Characters. Francis Russell. *Quinlan Press. $17.95.* Years ago an interviewer induced momentary speechlessness (not my usual affliction) by suggesting that Boston itself is a character in my books, an insight so commanding that of course I stole it at once, using it to great effect on subsequent book tours (without, of course, crediting the source—this was before we were all joebidened into prim footnoting of others' better lines).

The passage of time tends to add nuance to such pilferings; the flaw in the seer's question was its neglect of the manifest fact that Boston, a state of mind that exists geographically east of Worcester, south of Lowell, and north of Plymouth, is a character in almost every book—admittedly fictional or insistently factual—that is written about the people who consider themselves to be "from Boston." It is the strangest damned place. All you have to do is grow up in it, and for the rest of your life, everywhere in the world (that I have been, at least), all you have to do is ask for "Marlboro in the hard pack," and no one needs to see your passport.

J.P. Marquand was at home in Boston, though he lived in the city chiefly when he was seeing his lawyers about one of his divorces. Edwin O'Connor was from Boston, notwithstanding the fact that he was born in Woonsocket, Rhode Island (and died far too soon—in Boston of course). John Updike writes a good deal about the Pennsylvania of his youth, and lives on the North Shore today, but John Updike is from Boston as surely as Carlton Fisk, of Claremont, New Hampshire and the White Sox of Chicago, is a true Bostonian. Robert B. Parker grew up in the Fall River-New Bedford area, and he lives in effete Cambridge now, hard by Camelot High (as we call the John F. Kennedy Institute of Politics at Harvard), but Robert B. Parker is from Boston. Hell, Henry James spent most of his life "across the water," as my grandfather used to say, but he was always from Boston, and it showed in what he wrote.

And so is Francis Russell, whose reputation was deservedly made by his painstaking and unsparing research into the Sacco-Vanzetti case (he entered the lists convinced that the two were innocent, and emerged from them convinced that they did commit the robbery, and did murder the guard—for which declarations he took considerable abuse). What he has done here is to collect 12 magazine pieces about Bostonians that variously appeared in such publications as *American Heritage* and *Horizon*. As is by no means always the case when ephemeral journalism is captured in hard bindings, the gleanings gain critical mass, melting down into a coherent story about the city—really a collection of villages—that glows with its own energy.

As Doris Kearns Goodwin's *The Kennedys and the Fitzgeralds* so brilliantly demonstrated last spring, there is abundant grist for the trover's craft in the stories of Boston politics. The oral tradition has roughly—very roughly—preserved the legends of Boston's rogues, scoundrels, and scapegraces, but the people who know the wonderful stories are dying off these days. Francis Russell, like Goodwin, has set down the hard facts as he found them and done it in his own hand: stories of James Michael Curley and John F. Fitzgerald (with Toodles, of course); Calvin Coolidge and John Boyle O'Reilly (whose reach as a poet exceeded his grasp), and Mattapan Macky, an Italian gypsy with blonde hair, carrying the Mayflower name of Tilly. Politics, thuggery, sex and religion, ethics, and fixing the cases: Russell gathered most of the ruling passions of Boston in these pieces, and he's right to be proud of them. "Boston," he writes at the end of this book, "the city of all American cities that is a state of mind, is the cement that holds them together."

Well, he's probably mistaken. But then most of us think the Red Sox will win the World Series next year. It's all right to be wrong in Boston, so long as you're having some fun.

—George V. Higgins

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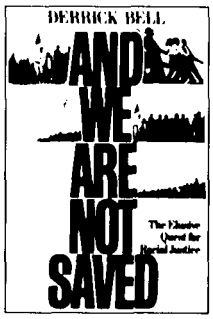

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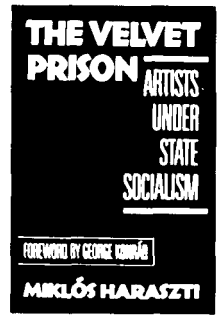

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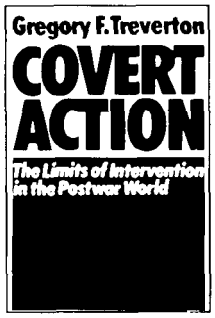

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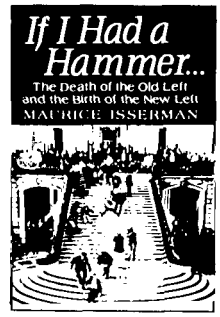

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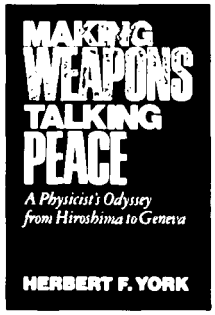

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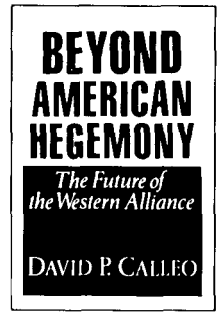

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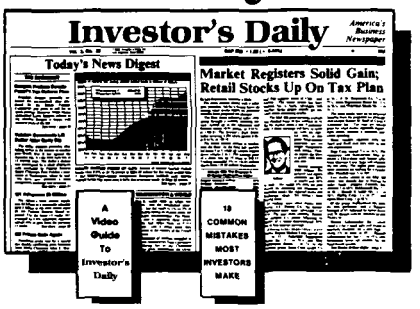

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